

**A. ADOPTION OF THE AGENDA**

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

**B. PRESENTATION 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:

**CITY MANAGER / FINANCE**

**Item No. Foo1**      2021 Five-Year (2021-2025) Financial Plan – General Operating  
File: 1705-05

**Item No. Foo2**      2021 Five Year (2021-2025) Financial Plan - Capital Program  
File: 1705-05

**Item No. Foo3**      2021 Five Year (2021-2025) Financial Plan – Utilities and Other  
Self-Funded Programs  
File: 1705-05

**FINANCE**

**Item No. Foo4**      City Grants for 2021  
File: 1850-20

**E. ADJOURNMENT**

## ADOPTION OF THE AGENDA

PRESENTATION BY THE GENERAL  
MANAGER, FINANCE

CITY OF SURREY

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# PUBLIC CONSULTATION



CITY OF SURREY

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# CORPORATE REPORTS



NO: F001

COUNCIL DATE: November 30, 2020

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## FINANCE COMMITTEE

TO: **Mayor & Council**

DATE: **November 16, 2020**

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

FILE: **1705-05**

SUBJECT: **2021 Five-Year (2021-2025) 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 - 2021 Roads & Traffic Safety Levy of this report; and
2. Direct staff to prepare the 2021 Five-Year (2021–2025) 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 (2020–2024) Financial Plan

Council approved the 2020 Five-Year (2020–2024) Financial Plan in December 2019, which included direction for the years 2020 to 2024. The proposed 2021 Five-Year (2021-2025) 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 2021 Five-Year (2021-2025) General Operating Financial Plan has been developed based on direction provided by Council, and incorporates these key drivers as follows:

1. Property Tax rate increase limited to 2.9%;
2. A “new capital program” to be funded by an increase to the Capital Parcel Tax; and
3. New revenues resulting from fee increases.

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 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 2021 Five-Year (2021-2025) General Operating Financial Plan.

The delivery of 'Public Safety' for 2021, is comprised of Policing (Policing Transition, Surrey Police Service ("SPS") and the RCMP contract), Fire Services and Bylaw Services. Each Public Safety Service is discussed in further detail on the following pages.

#### i) Policing

##### a) SPS:

In July 2020, the Surrey Police Board was created by the Province of BC. The establishment of the Board was anticipated, given the City had served notice to the Province that it intended to establish an independent municipal police service. In accordance with the needs of the transition to a new Police Service, the proposed 2021 Five-Year (2021-2025) General Operating Financial Plan includes \$184.06M in operating funding for the Surrey Police Service as it moves to become fully operational. The proposed budget has been formulated based on the due diligence of a Financial working group comprised of independent Financial consultants, and the City's Senior Finance Management team in collaboration with the Finance Committee of the Surrey Police Board. The 2021 proposed plan also provides \$23.08M in capital/one-time transition funding, including contingencies. The total budget proposed for the capital/one-time transition to SPS is presented in the following table:

SUMMARY	2020 BUDGET	2021 BUDGET	2022 BUDGET	2023 BUDGET	2024 BUDGET	TOTAL
Police Transitional One-Time Funding	\$ 25,200	\$ 23,084	\$ 5,400	\$ 5,000	\$ 5,000	\$ 63,684

The total capital/one-time transition budget of \$63.7M is reflective of the significant priority placed by Council on this project and relative to the current adopted Financial Plan represents a total increase of \$18.5M. Staff are confident that the proposed capital/one-time transition budget includes adequate funding to ensure the complete transition to Surrey Police Services inclusive of the required IT funding necessary to build out the IT infrastructure.

The proposed Five-Year Police Operating budget, as presented in the table below, now includes the provision for an additional 10 police officers in 2023 and each subsequent year for capacity improvement.

SUMMARY	2021 BUDGET	2022 BUDGET	2023 BUDGET	2024 BUDGET	2025 BUDGET
Police Services Operating Budget	\$ 184,062	\$ 189,400	\$ 194,893	\$ 200,544	\$ 206,360

The current workplan for the transition to Surrey Police Services anticipates that most aspects of the transition to be fundamentally complete by the end of fiscal 2022.

b) *RCMP Contract:*

The establishment of the Surrey Police Service (SPS) requires a proportionate and concurring reduction in the number of RCMP officers in Surrey while the SPS takes over full operations. The 2021 budget provides for 75% of the current funding of the RCMP contract to accommodate the transition of police services.

c) *Policing Support Services:*

Includes two divisions - the Policing Transition Project Office and Support Services. The Policing Transition Project Office is a temporary division responsible for establishing the SPS. The Support Services team will transition to becoming employees of the Surrey Police Board during the course of the transition. A specific timeline for this transition has not been determined, and as such budget implications have not been included in this proposed budget.

Future police member resource needs will be determined by the SPS for approval by the Surrey Police Board. The development of future financial plan processes will include the provisional budget presented to Council by the Police Board for review and approval.

Additional details on the financial requirements related to Policing for the proposed 2021 Five-Year (2021-2025) General Operating Financial Plan is provided in Section 4.0 of this report.

ii) Fire Services

The Surrey Fire Service staffing compliment will be increased by ten (10) firefighters in 2021, with 50% of the funding for the 10 FTE's provided in 2021. The additional 50% funding is to be implemented in 2022 to fully annualize the funding for the 10 FTE's. The increased resources will compliment the existing staff responding to service demands in North Surrey and the downtown areas. Future requests for firefighter staffing increases will be developed after further evaluation is conducted in 2023.

Additional details on the financial requirements related to Fire Services for the proposed 2021 Five-Year (2021-2025) 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 response. The regular call load continues to increase year over year, as we provide seven days a week service with significant presence in the community. The proposed Financial Plan includes the provision for two new Bylaw Officer positions to add versatility to the increasing demands of the community.

The Surrey Animal Resource Centre (SARC) provides service to the community by operating a 365 day a year facility which faces increasingly complex demands. The proposed budget includes funding for up to 2 additional staff. This additional investment of resources will enable SARC to continue to provide a high quality of service to our community in light of increasing demand due to increased growth.



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

The proposed 2021 Five-Year (2021-2025) General Operating Financial Plan incorporates modest funding for staffing and operating costs that will allow the City to continue to provide a high-level service to our residents. Funding provisions in the proposed budget include additional staffing and operational resources including the following:

#### **Seniors Citywide Age Friendly Coordinator**

Embracing the City's commitment to plan for the future and build an age friendly city, the Age Friendly Strategy for Seniors is integral to providing a citywide, corporate perspective that fosters consistent and complimentary approaches to issues and initiatives. The Coordinator will engage with seniors to address the needs of Surrey's ageing population and implement age friendly strategies and projects to support older adults to be active and engaged.

#### **Parks Operations**

The City continues to expand its park system and over the past year has increased Park inventory through the acquisition and construction of new amenities including 37 acres of natural area land, 3 new park developments (Orchard Grove Park, Mountain View Park and West Village Park), 4.1km of new trails and paved paths and 2,855 new street and park specimen trees. Operating increases are necessary to ensure park amenities continue to be maintained at current standards.

#### **Strawberry Hill Hall Operations**

To better serve the West Newton Community, the Strawberry Hill Farmer's Institute Hall will be renovated and repurposed as a new facility to offer a variety of programs and services including cultural programming, daycare and before and after school care. Funding investments will facilitate a variety of programming and may include art classes, poetry workshops, performing arts rehearsals, public events and more.

#### **Major Capital Projects**

Provisions for funding for a Project Engineer is included in the proposed budget, this position will assist in expediting the delivery of major external capital projects within the City as well as to coordinate the Five-Year Capital Plan and the Ten-Year Servicing Plan.

#### **Strategic Initiatives**

Funding provisions include one resource to support the continued advancement of the City's strategic objectives, measures and initiatives framework throughout the organization and to assist with the delivery of many related strategic initiatives.

#### **Library – IT Support**

Funding provisions include one resource to facilitate IT Support for Libraries, this resource will help streamline processes to create more efficiencies, support finding innovative solutions to improve access to digital tools and skills, and will enhance overall service delivery to our residents.

## **Planning & Development - Electrical Operating Permit**

The proposed budget includes additional operating funding which will enable the Planning and Development Department to implement the electrical operating permitting process. Electrical operating permits are yearly permits that help ensure the safe operation of complex electrical systems found in larger buildings. The additional funding will also help accelerate digitalization of the development process.

## **Information Technology**

To continue to provide high value information technology support services, three additional staff in key roles are included in the proposed budget within the IT division as follows:

Funding for a Support Technician is included in the proposed budget, this resource will be able to meet the increased demand for virtual meetings and the roll-out of sophisticated audio/visual technology in Council chambers and meeting rooms across all facilities.

An additional resource in the area of Corporate Security is also included in the proposed budget, this resource will complement the Security Manager to facilitate the effective service delivery across all City facilities.

Funding for a new Data Analyst in relation to the City's Data Driven Decision Making Program (D3M), will provide additional support to maintain the over 100 existing dashboards. This resource will also provide development assistance in relation to new initiatives as the program expands in 2021 and subsequent years.

The funding impact of the aforementioned proposed additional resources related to the proposed 2021 Five-Year (2021-2025) General Operating Financial Plan are provided in Section 4.0 of this report.

## **3.3 Capital Program and Related Operating Costs**

The proposed 2021 Five-Year (2021-2025) General Operating Financial Plan incorporates increased general operating funding to support the Capital Plan, this funding is predicated on the proposed increase to the Capital Parcel Tax of \$200 as outlined in this report. Fullsome details on the Capital plan will be presented under Corporate Report Foo2.

The impact of the aforementioned changes related to the proposed 2021 Five-Year (2021-2025) General Operating Financial Plan are provided in Section 4.0 of this report.

## 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

##### **SPS:**

Reduction in Contribution to SPS Capital/One-time Transition Costs	\$(2.12)M	
Operating Costs Associated with Civilian Police Services Support Staff	0.20M	
SPS Operating Costs, inclusive of Surrey Police Board	<u>61.99M</u>	
<b>Total SPS Requirements</b>		<b>\$60.07M</b>

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

Reduced provision for RCMP Contract during Transition to SPS	<u>\$(45.01)M</u>	
<b>Total RCMP Contract Funding Requirements</b>		<b><u>\$(45.01)M</u></b>

<b>Total Policing Funding Requirements</b>	<b>\$15.06M</b>
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#### ii) Fire

Addition of 10 firefighters, effective July 1st	<u>0.73M</u>	
<b>Total Fire Service Funding Requirements</b>		<b>\$0.73M</b>

#### iii) Bylaws

Addition of New Animal Control and Bylaw Positions	\$0.40M	
Operating and other cost increases	<u>0.20M</u>	
<b>Total Bylaws Funding Requirements</b>		<b>\$0.60M</b>

<b>Total Additional Public Safety Funding Required for 2021</b>	<b>\$16.39M</b>
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### 4.2 Other Corporate Funding Requirements:

Increased Contribution to Capital Program	\$13.60M
New Positions to Maintain and Enhance Service Levels	1.48M
Labour Adjustments, excluding Public Safety	1.60M
New Facilities - Library and Parks, Recreation and Culture	1.90M
Additional Park Inventory and Trees Programs	0.60M
Increase in Information Technology Software Maintenance Costs	0.80M
Operating and Other Cost Increases	2.55M
Reduction in Debt Servicing Costs	(1.11)M
Reduction in Internal Borrowing Servicing Costs	(2.33)M

<b>Total Additional Corporate Funding Required for 2021</b>	<b>\$19.09M</b>
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<b>Total Required Public Safety &amp; Corporate Funding for 2021</b>	<b>\$35.48M</b>
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## 5.0 NEW FUNDING AVAILABLE

The following are projected revenue increases that are expected to be available to offset the anticipated new funding required in 2021:

Property tax revenue due to anticipated tax rate (2.9%) increase	\$11.20M
Property tax revenue due to anticipated growth	1.77M
Capital Parcel tax revenue due to anticipated rate (\$200) increase	31.70M
Net departmental revenue increases and other revenue changes	0.97M
Reduction in Corporate Investment Income	(5.57)M
Reduction in Provincial Casino Revenue Sharing	(4.20)M
Net reduction to other Corporate Revenues	<u>(0.39)M</u>

<b>Total Funding Available for 2021</b>	<b>\$35.48M</b>
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## 6.0 SUMMARY OF PROPOSED 2021 GENERAL OPERATING FINANCIAL PLAN

Funding Requirements Outlined Above	\$35.48M
Less Available Funding	<u>35.48M</u>
Net Difference	\$0.00M

<b>Surplus/(Deficit)</b>	<b>nil</b>
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The proposed 2021 General Operating Financial Plan represents a balanced budget. It is important to note that the 2021 proposed budget does not need to incorporate or take on any debt resulting from the detrimental financial impact caused by COVID-19 in fiscal 2020.

## 7.0 ASSUMPTIONS APPLIED FOR THE 2021 GENERAL OPERATING FINANCIAL PLAN

The proposed 2021 General Operating Financial Plan has been drafted by applying the following assumptions:

1. A property tax rate increase of approximately \$60 for the average assessed single-family dwelling that will predominately be used to offset increased public safety resourcing and expenditures;
2. General Fee increases netting 2.9% of additional revenue, excluding PRC; and
3. A \$200 increase to the Capital Parcel Tax.

## 8.0 2021 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 2021-2025, staff will reassess the sustainability and impact of this as part of the 2022 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 2021 there is an additional \$2.2M contribution to the Roads program relative to the 2020 adopted plan for fiscal 2021.

## 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-New Funding Available and Section 8.0 – 2021 Roads & Traffic Safety Levy and generally outlined in this report; and
2. Direct staff to prepare the 2021 Five-Year (2021-2025) 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, P. Eng  
City Manager

### Attachments:

Appendix “I”:	Proposed 2021-2025 Financial Plan – General Operating
Appendix “II”:	Proposed 2021-2025 Financial Plan – Roads & Traffic Operating

**2021 - 2025 FINANCIAL PLAN  
GENERAL OPERATING - FINANCIAL SUMMARY**

*(in thousands)*

<b>REVENUE SUMMARY</b>	<b>2021 BUDGET</b>	<b>2022 PLAN</b>	<b>2023 PLAN</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>
<b>Taxation</b>	<b>\$434,772</b>	<b>\$ 450,847</b>	<b>\$ 467,543</b>	<b>\$ 484,888</b>	<b>\$ 502,905</b>
Sale of Goods and Services					
Departmental Fees & Charges	<b>47,730</b>	49,098	49,705	51,079	51,743
Secondary Suite Infrastructure Fees	<b>22,548</b>	23,425	24,337	25,285	26,270
Other Corporate Fees & Charges	<b>2,962</b>	2,730	2,499	2,269	2,039
<b>Sale of Goods and Services</b>	<b>73,240</b>	<b>75,253</b>	<b>76,541</b>	<b>78,633</b>	<b>80,052</b>
<b>Investment Income</b>	<b>10,920</b>	<b>10,940</b>	<b>10,960</b>	<b>11,070</b>	<b>11,180</b>
Transfers from Other Governments					
Departmental Government Transfers	<b>8,120</b>	8,030	7,940	7,950	7,960
Corporate Government Transfers	<b>2,328</b>	4,449	5,598	6,685	6,706
<b>Transfers from Other Governments</b>	<b>10,448</b>	<b>12,479</b>	<b>13,538</b>	<b>14,635</b>	<b>14,666</b>
Other Revenues					
Departmental Other Revenues	<b>35,587</b>	36,552	37,547	38,567	39,616
Corporate Other Revenues	<b>11,048</b>	14,255	14,317	14,379	14,442
<b>Other Revenues</b>	<b>46,635</b>	<b>50,807</b>	<b>51,864</b>	<b>52,946</b>	<b>54,058</b>
<b>TOTAL REVENUE</b>	<b>\$576,015</b>	<b>\$600,326</b>	<b>\$620,446</b>	<b>\$642,172</b>	<b>\$662,861</b>
<b>EXPENDITURE SUMMARY</b>					
Departmental Expenditures	<b>\$493,815</b>	\$ 502,175	\$ 506,957	\$ 520,429	\$ 526,390
General Government - Council Initiatives	<b>260</b>	260	260	260	260
Fiscal Services & Debt Interest	<b>7,253</b>	9,481	9,607	8,318	8,324
Municipal Debt Principal	<b>4,682</b>	9,151	10,195	10,313	10,313
<b>TOTAL EXPENDITURES</b>	<b>\$506,010</b>	<b>\$521,067</b>	<b>\$527,019</b>	<b>\$539,320</b>	<b>\$545,287</b>
<b>TRANSFERS SUMMARY</b>					
Transfers To/(From) Capital Sources	<b>75,007</b>	69,454	74,252	76,324	58,582
Transfers To/(From) Operating Sources	<b>(5,002)</b>	9,805	19,175	26,528	58,992
<b>TOTAL TRANSFERS</b>	<b>\$ 70,005</b>	<b>\$ 79,259</b>	<b>\$ 93,427</b>	<b>\$102,852</b>	<b>\$117,574</b>
<b>NET GENERAL OPERATING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**2021 - 2025 FINANCIAL PLAN  
GENERAL OPERATING - REVENUE SUMMARY**

*(in thousands)*

<b>REVENUE SUMMARY</b>	<b>2021 BUDGET</b>	<b>2022 PLAN</b>	<b>2023 PLAN</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>
<i>CORPORATE REVENUES</i>					
Base Levy	<b>\$354,565</b>	\$ 367,436	\$ 382,645	\$ 398,460	\$ 414,906
Property/Folio Growth (City's Portion)	<b>1,773</b>	3,674	3,826	3,985	4,149
Property Tax Rate Increase	<b>11,198</b>	11,635	12,089	12,561	13,052
Provision for Adjustments	<b>(100)</b>	(100)	(100)	(100)	(100)
	<b>367,436</b>	382,645	398,460	414,906	432,007
Grants in Lieu	<b>18,564</b>	18,945	19,336	19,740	20,156
Capital Parcel Tax	<b>48,772</b>	49,257	49,747	50,242	50,742
<b>Taxation</b>	<b>434,772</b>	450,847	467,543	484,888	502,905
Secondary Suite Infrastructure Fee	<b>22,548</b>	23,425	24,337	25,285	26,270
Other Corporate Fees & Charges	<b>2,962</b>	2,730	2,499	2,269	2,039
<b>Corporate Sale of Goods and Services</b>	<b>25,510</b>	26,155	26,836	27,554	28,309
<b>Corporate Investment Income</b>	<b>10,920</b>	10,940	10,960	11,070	11,180
Provincial Casino Revenue Sharing	-	2,121	3,197	4,284	4,305
Carbon Tax Rebates	<b>650</b>	650	650	650	650
Other Corporate Government Transfers	<b>1,678</b>	1,678	1,751	1,751	1,751
<b>Corporate Government Transfers</b>	<b>2,328</b>	4,449	5,598	6,685	6,706
Corporate Lease Revenue	<b>7,408</b>	10,615	10,677	10,739	10,802
Penalties & Interest	<b>3,640</b>	3,640	3,640	3,640	3,640
<b>Corporate Other Revenues</b>	<b>11,048</b>	14,255	14,317	14,379	14,442
<b>Total Corporate Revenues</b>	<b>484,578</b>	506,646	525,254	544,576	563,542
<i>DEPARTMENTAL REVENUES</i>					
<i>General Government</i>					
Corporate Services	<b>150</b>	150	150	150	150
Finance	<b>1,513</b>	1,551	1,590	1,630	1,671
	<b>1,663</b>	1,701	1,740	1,780	1,821
<i>Public Safety</i>					
Bylaws	<b>9,945</b>	10,233	10,530	10,835	11,150
Fire	<b>2,402</b>	2,471	2,541	2,614	2,689
Police	<b>8,204</b>	8,151	8,099	8,148	8,198
	<b>20,551</b>	20,855	21,170	21,597	22,037
<i>Other</i>					
Engineering Services	<b>8,354</b>	8,596	8,846	9,103	9,366
Parks, Recreation & Culture	<b>34,265</b>	35,200	35,362	36,275	36,465
Planning & Development	<b>24,962</b>	25,686	26,432	27,199	27,988
Surrey Public Library	<b>1,642</b>	1,642	1,642	1,642	1,642
	<b>69,223</b>	71,124	72,282	74,219	75,461
<b>Total Departmental Revenues</b>	<b>91,437</b>	93,680	95,192	97,596	99,319
<b>TOTAL REVENUE</b>	<b>\$576,015</b>	<b>\$600,326</b>	<b>\$620,446</b>	<b>\$642,172</b>	<b>\$662,861</b>

**2021 - 2025 FINANCIAL PLAN  
GENERAL OPERATING - EXPENDITURE AND TRANSFERS SUMMARY**

*(in thousands)*

<b>EXPENDITURE SUMMARY</b>	<b>2021 BUDGET</b>	<b>2022 PLAN</b>	<b>2023 PLAN</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>
<i>General Government</i>					
Mayor, Council & Grants	\$ 3,605	\$ 3,611	\$ 3,617	\$ 3,623	\$ 3,629
City Manager's Department	1,550	1,553	1,556	1,559	1,562
Corporate Services	32,963	33,938	33,113	33,188	33,263
Finance	14,330	14,483	14,636	14,789	14,942
Investments & Intergov. Relations	1,651	1,653	1,655	1,657	1,659
	<u>54,099</u>	<u>55,238</u>	<u>54,577</u>	<u>54,816</u>	<u>55,055</u>
<i>Public Safety</i>					
Bylaws	9,324	9,454	9,584	9,714	9,844
Fire	66,866	67,719	67,864	68,009	68,154
Police	189,991	195,276	199,473	205,799	210,130
	<u>266,181</u>	<u>272,449</u>	<u>276,921</u>	<u>283,522</u>	<u>288,128</u>
<i>Other</i>					
Engineering Services	9,936	9,716	10,012	10,316	10,629
Parks, Recreation & Culture	108,538	109,602	110,163	116,371	117,050
Planning & Development	32,510	32,560	32,615	32,675	32,740
Surrey Public Library	21,015	21,074	21,133	21,193	21,252
Corporate Operating	1,536	1,536	1,536	1,536	1,536
	<u>173,535</u>	<u>174,488</u>	<u>175,459</u>	<u>182,091</u>	<u>183,207</u>
<b>Departmental Expenditures</b>	<u>493,815</u>	<u>502,175</u>	<u>506,957</u>	<u>520,429</u>	<u>526,390</u>
<b>Council Initiative Fund</b>	<u>260</u>	<u>260</u>	<u>260</u>	<u>260</u>	<u>260</u>
Fiscal Charges	153	157	162	167	172
Interest Paid on Prepaid Taxes	102	103	104	105	106
External Borrowing	6,998	9,221	9,341	8,046	8,046
<b>Fiscal Services &amp; Debt Interest</b>	<u>7,253</u>	<u>9,481</u>	<u>9,607</u>	<u>8,318</u>	<u>8,324</u>
<b>Municipal Debt Principal</b>	<u>4,682</u>	<u>9,151</u>	<u>10,195</u>	<u>10,313</u>	<u>10,313</u>
<b>TOTAL EXPENDITURE</b>	<u>\$506,010</u>	<u>\$521,067</u>	<u>\$527,019</u>	<u>\$539,320</u>	<u>\$545,287</u>
<b>TRANSFERS SUMMARY</b>					
General Capital Contribution	35,748	28,221	26,601	25,416	21,512
SPS Capital/One-Time Contribution	23,084	5,400	5,000	5,000	-
Provincial Casino Revenue Sharing	-	2,121	3,197	4,284	4,305
Tree Replacement Contribution	2,500	2,250	2,000	1,750	1,500
Internal Borrowing	1,049	19,721	23,496	26,542	16,398
SPS Transfers To/(From) Capital	2,275	2,275	3,519	2,893	4,428
Other Transfers To/(From) Capital	10,351	9,466	10,439	10,439	10,439
<b>Transfers To/(From) Capital Sources</b>	<u>75,007</u>	<u>69,454</u>	<u>74,252</u>	<u>76,324</u>	<u>58,582</u>
Roads & Traffic Safety Contribution	12,922	12,922	12,922	12,922	12,922
Carbon Emission Offsets	650	650	650	650	650
Other Transfers To/(From) Operating	(18,574)	(3,767)	5,603	12,956	45,420
<b>Transfers To/(From) Operating Sources</b>	<u>(5,002)</u>	<u>9,805</u>	<u>19,175</u>	<u>26,528</u>	<u>58,992</u>
<b>TOTAL TRANSFERS</b>	<u>\$ 70,005</u>	<u>\$ 79,259</u>	<u>\$ 93,427</u>	<u>\$102,852</u>	<u>\$117,574</u>



## Appendix “II”

### 2021 - 2025 FINANCIAL PLAN ROADS & TRAFFIC - FINANCIAL SUMMARY

(in thousands)

<b>REVENUE SUMMARY</b>	<b>2021 BUDGET</b>	<b>2022 PLAN</b>	<b>2023 PLAN</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>
Roads & Traffic Safety Levy	\$ 29,803	\$ 30,101	\$ 30,402	\$ 30,706	\$ 31,013
Grants in Lieu	997	1,007	1,017	1,027	1,037
Special Assessment	236	250	256	272	288
Taxation	31,036	31,358	31,675	32,005	32,338
Sale of Goods and Services	908	925	942	959	976
Developer Contributions	504	514	524	534	545
Transfers from Other Governments	6,674	6,807	6,943	7,082	7,224
Other Revenue	953	967	982	997	1,012
<b>TOTAL REVENUE</b>	<b>\$ 40,075</b>	<b>\$ 40,571</b>	<b>\$ 41,066</b>	<b>\$ 41,577</b>	<b>\$ 42,095</b>
<b>EXPENDITURE SUMMARY</b>					
Operational Expenditures	\$ 33,530	\$ 34,212	\$ 34,893	\$ 35,588	\$ 36,297
<b>TOTAL EXPENDITURE</b>	<b>\$ 33,530</b>	<b>\$ 34,212</b>	<b>\$ 34,893</b>	<b>\$ 35,588</b>	<b>\$ 36,297</b>
<b>TRANSFERS SUMMARY</b>					
Transfers To/(From) Capital Sources	\$ 19,501	\$ 19,422	\$ 19,244	\$ 19,734	\$ 19,555
Transfers To/(From) Operating Sources	(12,956)	(13,063)	(13,071)	(13,745)	(13,757)
<b>TOTAL TRANSFERS</b>	<b>\$ 6,545</b>	<b>\$ 6,359</b>	<b>\$ 6,173</b>	<b>\$ 5,989</b>	<b>\$ 5,798</b>
<b>NET ROADS &amp; TRAFFIC</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

NO: F002

COUNCIL DATE: November 30, 2020

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## FINANCE COMMITTEE

TO: **Mayor & Council**

DATE: **November 16, 2020**

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

FILE: **1705-05**

SUBJECT: **2021 Five-Year (2021-2025) Financial Plan - Capital Program**

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### 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 2021 Five-Year (2021-2025) Capital Financial Plan incorporating the Capital Program as outlined in this report.

### 2.0 BACKGROUND

The fiscal hardship caused by the COVID-19 pandemic resulted in a significant financial impact to the City of Surrey. The City implemented a series of proactive measures to mitigate the budget shortfall for fiscal 2020. The measures included the elimination/deferral of several Major General Capital projects and the reduction of On-going Capital expenditures.

Council's support of staff recommendations that included difficult but important decisions to mitigate the forecasted shortfall proved successful. As a result, the City is in a position to move forward with a robust Capital Financial Plan for 2021-2025.

It is important to note that the 2021-2025 Capital Financial Plan has been developed based on the availability of an increased general operating contribution to capital. This increased contribution is made possible as a result of the \$200 increase to the Capital Parcel Tax as proposed in Corporate report F001 - 2021-2025 General Operating Financial Plan.

### 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.

<b>PROPOSED FUNDING SOURCES GENERAL CAPITAL PROGRAM (in thousands of dollars)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
External Borrowing	\$ 130,000	\$ 13,390	\$ 7,210	\$ -	\$ -	\$ 150,600
Contribution from General Operating	35,748	28,221	26,601	25,416	21,512	137,498
Contribution from General Operating - Surrey Police Service	23,084	5,400	5,000	5,000	-	38,484
Other City Reserves	16,249	21,228	14,652	17,319	15,035	84,483
Parkland Acquisition & DCC Reserves	13,000	15,000	16,000	17,000	18,000	79,000
Community Amenity Contribution Reserve	2,350	6,100	8,850	10,900	12,000	40,200
Green City Program	1,500	1,500	1,500	1,500	1,500	7,500
External Contributions (Grants)	1,000	1,000	1,000	1,000	-	4,000
Proceeds from Gaming Revenue	-	2,121	3,197	4,284	4,305	13,907
<b>TOTAL PROPOSED FUNDING SOURCES GENERAL CAPITAL PROGRAM</b>	<b>\$ 222,931</b>	<b>\$ 93,960</b>	<b>\$ 84,010</b>	<b>\$ 82,419</b>	<b>\$ 72,352</b>	<b>\$ 555,672</b>

### 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, and Gaming Revenue. No borrowing is utilized for the On-going General Capital program.

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

<b>PROPOSED FUNDING SOURCES - ON-GOING GENERAL CAPITAL (in thousands of dollars)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Other City Reserves	\$ 15,349	\$ 17,248	\$ 14,652	\$ 15,319	\$ 15,035	\$ 77,603
Parkland Acquisition & DCC Reserves	13,000	15,000	16,000	17,000	18,000	79,000
Contribution from General Operating	11,148	11,582	11,468	17,450	21,512	73,160
Green City Program	1,500	1,500	1,500	1,500	1,500	7,500
Proceeds from Gaming Revenue	-	-	-	-	3,505	3,505
<b>TOTAL PROPOSED FUNDING SOURCES - ON-GOING GENERAL CAPITAL</b>	<b>\$ 40,997</b>	<b>\$ 45,330</b>	<b>\$ 43,620</b>	<b>\$ 51,269</b>	<b>\$ 59,552</b>	<b>\$ 240,768</b>

<b>ON-GOING GENERAL CAPITAL REQUIREMENTS (in thousands of dollars)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Parkland Acquisition	\$ 13,131	\$ 15,136	\$ 16,141	\$ 17,146	\$ 18,152	\$ 79,706
Information Technology	6,000	6,000	6,200	6,400	6,500	31,100
Park Development Program	4,120	4,322	4,347	4,373	4,398	21,560
Facilities Maintenance & Renovations	4,000	4,000	4,000	4,000	4,000	20,000
Fire Equipment	3,654	5,603	1,488	2,506	412	13,663
Fleet Vehicles & Equipment	3,000	3,250	3,500	3,750	4,000	17,500
Surrey Police Service Equipment	2,275	2,275	3,519	2,893	4,428	15,390
Library Books	2,100	2,100	2,100	2,100	2,100	10,500
Sundry & Contingency	1,892	1,819	1,500	7,276	14,737	27,224
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
<b>TOTAL ON-GOING GENERAL CAPITAL REQUIREMENTS</b>	<b>\$ 40,997</b>	<b>\$ 45,330</b>	<b>\$ 43,620</b>	<b>\$ 51,269</b>	<b>\$ 59,552</b>	<b>\$ 240,768</b>

Examples of the initiatives that will be addressed over the next five years include roof replacements, mechanical system upgrades, accessibility improvements, parking lot repairs, playground 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 recreation facilities, arenas, sports fields, parks construction and upgrades, and arts & culture amenities.

The Major General Capital program is funded by External Borrowing, contributions from General Operating, Community Amenity Contributions, External Contributions (Grants), City Reserves, and Gaming Revenue. \$150.6M in External Borrowing, accessed through the Municipal Finance Authority of BC's (MFA) Long-Term Borrowing program, is required for three major projects. Of the total borrowing, it is expected that Newton Community Centre and Land Acquisition will require \$90.0M, City Centre Sports Complex - Phase 1 will utilize \$40.0M, and Cloverdale Sport & Ice Complex projects will use \$20.6M. No additional projects within this Five-Year Capital Financial Plan require borrowing.

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

PROPOSED FUNDING SOURCES - MAJOR GENERAL CAPITAL (in thousands of dollars)	2021	2022	2023	2024	2025	Total
External Borrowing	\$ 130,000	\$ 13,390	\$ 7,210	\$ -	\$ -	\$ 150,600
Contribution from General Operating	24,600	16,639	15,133	7,966	-	64,338
Contribution from General Operating - Surrey Police Service	23,084	5,400	5,000	5,000	-	38,484
Community Amenity Contribution Reserve	2,350	6,100	8,850	10,900	12,000	40,200
External Contributions (Grants)	1,000	1,000	1,000	1,000	-	4,000
NCP Reserves	900	3,980	-	2,000	-	6,880
Proceeds from Gaming Revenue	-	2,121	3,197	4,284	800	10,402
<b>TOTAL PROPOSED FUNDING SOURCES - MAJOR GENERAL CAPITAL</b>	<b>\$ 181,934</b>	<b>\$ 48,630</b>	<b>\$ 40,390</b>	<b>\$ 31,150</b>	<b>\$ 12,800</b>	<b>\$ 314,904</b>

PROPOSED MAJOR GENERAL CAPITAL PROJECTS (in thousands of dollars)	2021	2022	2023	2024	2025	Total
3.3.1 Newton Community Centre & Land Acquisition	90,000					\$ 90,000
3.3.2 City Centre Sports Complex - Phase 1 (Phase 2 Design - 2024)	40,000			500		40,500
3.3.3 Bear Creek Park Athletics Centre (Total \$21.0M)	6,100	9,800	4,400			20,300
3.3.4 SSAP Track Replacement & New Artificial Turf Field	6,000					6,000
3.3.5 Newton Turf & Washroom/Changeroom	4,400	1,100				5,500
3.3.6 Artificial Turf Field Replacements at Five Locations	2,000	2,000				4,000
3.3.7 Indigenous Carving Centres	2,000					2,000
3.3.8 Kabaddi Facility (Total \$3.7M)	1,750	1,700				3,450
3.3.9 Nicomekl Riverfront Park (Total \$16.1M)	1,600	1,600	1,600	1,600	600	7,000
3.3.10 Newton Athletic Park Walking Track	1,000					1,000
3.3.11 NCP Funded Park Projects	900					900
3.3.12 Sunnyside Reservoir Pickleball and Bike Park	800					800
3.3.13 New Park Washrooms	750					750
3.3.14 Biodiversity Preserve Park Improvements	600					600
3.3.15 Trail & Path Development	500					500
3.3.16 Outdoor Volleyball Courts	200	100				300
3.3.17 New Park Shelters	150					150
3.3.18 Crescent Park Studio/Building Renovation	100					100
3.3.19 Cloverdale Sport & Ice Complex (Total \$50.1M)		20,000	20,000	10,000		50,000
3.3.20 Grandview Heights Community Park - Phase 1		2,880				2,880
3.3.21 Fleetwood Athletic Park - Phase 1		2,000	1,440			3,440
3.3.22 NCP Funded Park Projects		1,000				1,000
3.3.23 Sportsfield & Amenity Development		700	5,300			6,000
3.3.24 Surrey Arts Centre Renovation		350				350
3.3.25 City Centre Spray Park & Courts			2,000			2,000
3.3.26 Semiahmoo Art Studios			500			500
3.3.27 Pop-up Heritage Displays			150			150
3.3.28 Unwin Community Park				6,000		6,000
3.3.29 Archives/1912 Hall Renovation				5,000		5,000
3.3.30 Interactive Art Museum - City Centre (Total \$60.0M)				2,800	12,200	15,000
3.3.31 Fleetwood Firehall Study				250		250
<b>TOTAL PROPOSED MAJOR GENERAL CAPITAL PROJECTS</b>	<b>\$ 158,850</b>	<b>\$ 43,230</b>	<b>\$ 35,390</b>	<b>\$ 26,150</b>	<b>\$ 12,800</b>	<b>\$ 276,420</b>
3.3.32 Surrey Police Service Capital & Transition Requirements	23,084	5,400	5,000	5,000		38,484
<b>GRAND TOTAL</b>	<b>\$ 181,934</b>	<b>\$ 48,630</b>	<b>\$ 40,390</b>	<b>\$ 31,150</b>	<b>\$ 12,800</b>	<b>\$ 314,904</b>

The following descriptions provide details on the capital projects included in the proposed 2021-2025 Major General Capital program.

3.3.1 Newton Community Centre & Land Acquisition (\$90.0M)

This new 75,000 sq. ft. community centre will offer multiple components, including, Library, Recreation, and Culture programming, similar to the Clayton Community Centre. Parks amenities will also be included on the site. The new facility will benefit the community of Newton. The community centre will have cultural and arts services, seniors, youth, fitness, and recreation programming. It will also include gymnasiums, a weight room, multi-purpose rooms, a licensed preschool, and childcare and afterschool programming. The grounds will have passive and active sheltered and unsheltered park facilities for all ages to enjoy.

3.3.2 City Centre Sports Complex - Phase 1 (\$40.5M)

This facility will meet the growing recreation needs in the City Centre/North Surrey area. Additional recreation amenities will consider all ages and abilities and will complement the existing facilities in the area. \$0.5M in funding has also been allocated in 2024 for the design of a potential second phase of this project.

3.3.3 Bear Creek Park Athletics Centre (\$21.0M)

This project will replace 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. Phase 1 construction of a walking track with pedestrian lighting on the upper north field has been completed.

It was originally envisioned that two-thirds of the funding for this project would be dependant on provincial/federal funding support with the City's contribution at one-third. To advance this project, the City is now contributing the full funding requirement to ensure timely completion of this important new world-class facility.

3.3.4 SSAP Track Replacement & New Artificial Turf Field (\$6.0M)

The track at South Surrey Athletic Park has reached the end of its lifespan. Resurfacing the running track, along with other site improvements, are now necessary. Existing grass field #8 will also be converted to artificial turf surfacing to help meet community demand for high performance sports fields in South Surrey year-round.

Staff have submitted an application to the Investing in Canada Infrastructure Grant Program requesting a contribution of \$4.4M towards this project. The City has allocated the full \$6.0M funding requirement to this project to ensure completion of this much needed amenity if the grant is not approved. If a grant is received, the City's portion of funding will be reduced accordingly.

3.3.5 Newton Artificial Turf Field and Washroom/Changeroom (\$5.5M)

This project will include construction of a new artificial turf field and changeroom/washroom in the Newton area to meet the on-going demand for this amenity.

### 3.3.6 Artificial Turf Field Replacements at Five Locations (\$4.0M)

This project will provide for the replacement of existing artificial turf field surfaces across the City to ensure that these well-used fields meet safety requirements for users and satisfy the ongoing demand for this amenity. Planned replacements, in order of priority, are: Hjorth Road Park (Field 1), Cloverdale Athletic Park (Field 3), Newton Athletic Park (Field 3), Tom Binnie Park, and South Surrey Athletic Park (Field 9).

### 3.3.7 Indigenous Carving Centres (\$2.0M)

With one location each in North Surrey and South Surrey, 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.

### 3.3.8 Kabaddi Facility (\$3.7M)

This project is for the planning, design, and construction of a new kabaddi facility in Whalley including grass field, bleachers, and fieldhouse.

### 3.3.9 Nicomekl Riverfront Park (\$16.1M)

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, 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 the recent securing of grant funding through the Government of Canada's Disaster Mitigation Adaptation Fund.

### 3.3.10 Newton Athletic Park Walking Track (\$1.0M)

This project is for the design and development of a 400m long, 3-lane rubberized walking loop in the centre of Newton Athletic Park.

### 3.3.11 NCP Funded Park Projects - 2021 (\$0.90M)

This funding is allocated towards the development of South Newton Neighbourhood Park and Aloha Estates Park.

### 3.3.12 Sunnyside Reservoir Pickleball and Bike Park (\$0.80M)

The City's Engineering Water Utility and Metro Vancouver are undertaking infrastructure upgrades to the Sunnyside Reservoir in South Surrey Athletic Park. This project will complete park improvements in the area including the development of new pickleball courts and bike park upgrades.

3.3.13 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.

3.3.14 Biodiversity Preserve Park Improvements (\$0.60M)

The City now has four significant biodiversity preserve parks comprised of close to 300 acres of land. This project will implement several renovations, repairs, and improvements to those parks.

3.3.15 Trail and Path Development (\$0.50M)

This project will construct new trails and paths that are in high demand throughout the City. Improvements are planned for Holland Park, Bakerview Park, South Surrey Athletic Park, Bothwell Park, Cloverdale Athletic Park, and numerous linear park connections throughout the City's neighbourhood park system.

3.3.16 Outdoor Volleyball Courts (\$0.30M)

This project is for the design and construction of new outdoor volleyball courts.

3.3.17 New Park Shelters (\$0.15M)

Park users have requested park shelters that allow residents to meet and socialize in the park. This funding would allow further installations of park shelters across the City's park system.

3.3.18 Crescent Park Studio/Building Renovation (\$0.10M)

The underutilized caretaker's residence within Crescent Park will be renovated to provide a vibrant community art studio that responds to community demand for safe and accessible space for ceramics learning, production and sharing.

3.3.19 Cloverdale Sport and Ice Complex (\$50.1M)

This facility will provide additional ice in Cloverdale to meet the 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 Cloverdale Sport and Ice Complex was paused in 2019. The Sport and Ice Twin Sheet in Cloverdale will serve the Cloverdale community with additional ice sports and programming as well adding Surrey ice capacity overall.

3.3.20 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.

3.3.21 Fleetwood Athletic Park – Phase 1 (\$3.4M)

With growing demand City-wide, the development of a new athletic park in Fleetwood will greatly improve the availability of field space for many sport groups.

3.3.22 NCP Funded Park Projects - 2022 (\$1.0M)

This funding is allocated towards the development of Rowberry Park.

3.3.23 Sportsfield and Amenity Development (\$6.0M)

This project is for the planning, design, and development of sportsfield facilities and supporting amenities.

3.3.24 Surrey Arts Centre Renovation (\$0.35M)

This project is for the renovation of the Surrey Arts Centre to maintain and improve the facility's accessibility and operations. Learning, production, and presentation spaces will also be upgraded.

3.3.25 City Centre Spray Park and Courts (\$2.0M)

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

3.3.26 Semiahmoo Arts Studios (\$0.50M)

This funding will go towards developing community arts space in Semiahmoo Town Centre.

3.3.27 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.

3.3.28 Unwin Community Park (\$6.0M)

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.

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

This funding will provide seismic upgrades and flood mitigation infrastructure that respects and enhances the heritage value of this building and prolongs its use as a community cultural venue. This project will support the growth of the City's Heritage and Archives collections and services.



**3.3.30 Interactive Art Museum – City Centre (\$15.0M 2025; Total \$60.0M)**

This project will create the first world-class cultural facility in Surrey and a major attraction in City Centre. The Interactive Art Museum (“iAM”) will feature creative spaces for learning, such as, a library, TechLab and MakerLab, open studios for artists in residence, art exhibition spaces, events spaces, 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.

**3.3.31 Fleetwood Firehall Study (\$0.25M)**

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

**3.3.32 Surrey Police Service Capital & Transition Requirements (\$63.7M)**

The transition to the Surrey Police Service is well underway. The Policing Transition department continues to plan and procure one-time investments to replace key components of existing Surrey RCMP infrastructure and equipment. These investments include information & technology equipment, police uniforms and kits, office equipment and fleet transition costs. One-time transition requirements also include consulting, facilities, fleet, human resources, information & technology, and legal costs.

**3.4 Proposed 2021 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 2021 for all proposed Engineering Capital Infrastructure Projects are listed below:

Roads	\$60.2M
Drainage	28.1M
Water	14.3M
Sewer	11.4M
Energy	<u>5.8M</u>
<b>Total</b>	<b><u>\$119.8M</u></b>

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 2021 Five-Year (2021-2025) Capital Financial Plan as outlined in this report.

Kam Grewal, CPA, CMA  
General Manager, Finance

Vincent Lalonde, P. Eng  
City Manager

Attachments:

Appendix "I": 2021 Five-Year (2021-2025) Capital Financial Plan

## Appendix “I-1”

### 2021 - 2025 CAPITAL FINANCIAL PLAN EXECUTIVE SUMMARY (in thousands)

CONTRIBUTION SUMMARY	2021	2022	2023	2024	2025	5 YEAR PROGRAM
<b>Discretionary Contributions</b>						
Community Amenity Contribution Reserve	\$ 2,350	\$ 6,100	\$ 8,850	\$ 10,900	\$ 12,000	\$ 40,200
Contribution from Operating	99,742	76,747	73,360	77,669	68,638	396,157
Other Appropriations - Green City	1,500	1,500	1,500	1,500	1,500	7,500
Other Reserve Funds	15,269	16,968	14,347	14,989	14,680	76,253
	118,862	101,315	98,057	105,058	96,818	520,110
<b>Non-Discretionary Contributions</b>						
DCC Reserve Funds	55,881	100,683	91,244	133,259	87,953	469,020
NCP Reserve Funds	1,100	4,180	200	2,200	200	7,880
Other Statutory Reserve Funds	-	1,500	2,000	2,500	3,000	9,000
	56,981	106,363	93,444	137,959	91,153	485,900
<b>Other Contributions</b>						
External Borrowing	130,000	13,390	7,210	-	-	150,600
External Sources	37,019	53,534	43,303	49,812	29,115	212,783
	167,019	66,924	50,513	49,812	29,115	363,383
<b>Unidentified - Budget Authority</b>	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total Current Year's Contributions</b>	392,862	324,602	292,014	342,829	267,086	1,619,393
<b>Carry Fwd from Previous Years</b>	117,859	97,381	87,604	102,849	80,126	485,818
	<b>\$ 510,721</b>	<b>\$ 421,983</b>	<b>\$ 379,618</b>	<b>\$ 445,677</b>	<b>\$ 347,212</b>	<b>\$ 2,105,211</b>
<b>EXPENDITURE SUMMARY</b>						
<b>Capital Renewal &amp; Maintenance</b>						
Buildings	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 20,000
Equipment	18,027	20,226	17,805	18,647	18,438	93,143
Other Capital Improvements	123,878	184,791	162,178	214,610	148,959	834,416
Parkland Acquisition	13,131	15,136	16,141	17,146	18,152	79,706
Sundry & Contingency	1,892	1,819	1,500	7,276	14,737	27,224
	160,928	225,972	201,624	261,679	204,286	1,054,489
<b>Ranked Projects</b>						
Buildings	132,100	20,350	20,500	18,550	12,200	203,700
Other Capital Improvements	49,834	28,280	19,890	12,600	600	111,203
	181,934	48,630	40,390	31,150	12,800	314,903
<b>Unidentified - Budget Authority</b>	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total Current Year's Expenditures</b>	392,862	324,602	292,014	342,829	267,086	1,619,393
<b>Carry Fwd from Previous Years</b>	117,859	97,381	87,604	102,849	80,126	485,818
	<b>\$ 510,721</b>	<b>\$ 421,983</b>	<b>\$ 379,618</b>	<b>\$ 445,677</b>	<b>\$ 347,212</b>	<b>\$ 2,105,211</b>

## Appendix “I-2”

### 2021 - 2025 CAPITAL FINANCIAL PLAN CONTRIBUTION (FUNDING) SUMMARY (in thousands)

CONTRIBUTION SUMMARY	2021	2022	2023	2024	2025	5 YEAR PROGRAM
<b>Discretionary Contributions</b>						
Community Amenity Contribution Reserve						
CAC & Bonus Density Contributions	\$ 2,350	\$ 6,100	\$ 8,850	\$ 10,900	\$ 12,000	\$ 40,200
	2,350	6,100	8,850	10,900	12,000	40,200
<b>Contributions from Operating</b>						
Drainage	7,069	7,102	10,102	11,602	14,016	49,891
Energy	5,797	8,178	2,354	4,956	3,524	24,809
General	58,832	35,742	34,798	34,700	25,817	189,889
Parking	173	173	173	173	173	865
Roads	11,509	10,410	9,426	9,630	8,303	49,278
Sewer	6,223	6,982	7,347	7,434	7,631	35,617
Water	10,140	8,160	9,160	9,174	9,174	45,808
	99,743	76,747	73,360	77,669	68,638	396,158
Operating Appropriated Surplus						
Other Appropriations - Green City	1,500	1,500	1,500	1,500	1,500	7,500
<b>Other Reserve Funds</b>						
Environmental Stewardship	240	240	240	240	240	1,200
Vehicles & Equipment	15,029	16,728	14,107	14,749	14,440	75,053
	15,269	16,968	14,347	14,989	14,680	76,253
	118,863	101,315	98,057	105,058	96,818	520,111
<b>Non-Discretionary Contributions</b>						
City-Wide DCC Reserve Funds						
Anniedale Tynehead	-	-	-	1,425	4,369	5,794
Arterial Roads	21,289	49,947	39,470	71,507	37,064	219,277
Drainage	6,800	8,984	8,984	8,984	4,362	38,114
Major Collector Roads	4,805	8,767	9,280	17,308	7,315	47,475
Parkland	13,000	13,500	14,000	14,500	15,000	70,000
Parkland Development	-	200	225	250	275	950
Sewer	5,174	10,334	10,334	10,334	10,617	46,793
Water	4,136	5,955	5,955	5,955	5,955	27,956
Area Specific DCC Reserve Funds						
City Centre	677	1,886	1,886	1,886	1,886	8,221
West Clayton	-	1,110	1,110	1,110	1,110	4,440
	55,881	100,683	91,244	133,259	87,953	469,020
NCP Reserve Funds						
Fire	100	100	100	100	100	500
Library	100	100	100	100	100	500
Parks	900	3,980	-	2,000	-	6,880
	1,100	4,180	200	2,200	200	7,880
Other Statutory Reserve Funds						
Parkland Acquisition	-	1,500	2,000	2,500	3,000	9,000
	-	1,500	2,000	2,500	3,000	9,000
	56,981	106,363	93,444	137,959	91,153	485,900
<b>Other Contributions</b>						
External Sources						
Federal/Provincial Contribution	17,363	33,878	23,647	30,156	9,459	114,503
TransLink	19,656	19,656	19,656	19,656	19,656	98,280
	37,019	53,534	43,303	49,812	29,115	212,783
Other Sources						
External Borrowing	130,000	13,390	7,210	-	-	150,600
	130,000	13,390	7,210	-	-	150,600
	167,019	66,924	50,513	49,812	29,115	363,383
<b>Unidentified - Budget Authority only (not funded)</b>	50,000	50,000	50,000	50,000	50,000	250,000
	\$ 392,862	\$ 324,602	\$ 292,014	\$ 342,829	\$ 267,086	\$ 1,619,393

## Appendix “I-3”

### 2021 - 2025 CAPITAL FINANCIAL PLAN EXPENDITURE SUMMARY (in thousands)

EXPENDITURE SUMMARY	2021	2022	2023	2024	2025	5 YEAR PROGRAM
<b>Capital Renewal &amp; Maintenance</b>						
Buildings						
Facilities Maintenance	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 20,000
	4,000	4,000	4,000	4,000	4,000	20,000
Equipment						
General Corporate	11,450	11,700	12,150	12,600	12,950	60,850
Parks, Recreation & Culture	475	475	475	475	475	2,375
Parking Services	173	173	173	173	173	865
Protective Services	5,929	7,878	5,007	5,399	4,840	29,053
	18,027	20,226	17,805	18,647	18,438	93,143
Land Acquisition						
Parkland Acquisition	13,131	15,136	16,141	17,146	18,152	79,706
	13,131	15,136	16,141	17,146	18,152	79,706
Other Capital Improvements						
Drainage Services	28,050	37,842	39,519	44,260	29,684	179,355
Parks, Recreation & Culture	4,120	4,322	4,347	4,373	4,398	21,560
Roads & Transportation	60,238	103,018	83,162	126,699	75,009	448,126
Sewer Services	11,397	17,316	17,681	17,768	19,790	83,952
Surrey City Energy	5,797	8,178	2,354	4,956	3,524	24,809
Water Services	14,276	14,115	15,115	16,554	16,554	76,614
	123,878	184,791	162,178	214,610	148,959	834,416
Sundry & Contingency	1,892	1,819	1,500	7,276	14,737	27,224
	1,892	1,819	1,500	7,276	14,737	27,224
	160,928	225,972	201,624	261,679	204,286	1,054,489
<b>Ranked Projects</b>						
Buildings						
Archives/1912 Hall Renovation	-	-	-	5,000	-	5,000
City Centre Sports Complex - Phase 1 (Phase 2 Design - 2024)	40,000	-	-	500	-	40,500
Cloverdale Sport & Ice Complex	-	20,000	20,000	10,000	-	50,000
Crescent Park Studio/Building Renovation	100	-	-	-	-	100
Fleetwood Firehall Study	-	-	-	250	-	250
Indigenous Carving Centres	2,000	-	-	-	-	2,000
Interactive Art Museum - City Centre (Total \$60.0M)	-	-	-	2,800	12,200	15,000
Newton Community Centre & Land Acquisition	90,000	-	-	-	-	90,000
Semiahmoo Art Studios	-	-	500	-	-	500
Surrey Arts Centre Renovation	-	350	-	-	-	350
	132,100	20,350	20,500	18,550	12,200	203,700
Other Capital Improvements						
Artificial Turf Field Replacements at Five Locations	2,000	2,000	-	-	-	4,000
Bear Creek Park Athletics Centre	6,100	9,800	4,400	-	-	20,300
Biodiversity Preserve Park Improvements	600	-	-	-	-	600
City Centre Spray Park & Courts	-	-	2,000	-	-	2,000
Fleetwood Athletic Park - Phase 1	-	2,000	1,440	-	-	3,440
Grandview Heights Community Park - Phase 1	-	2,880	-	-	-	2,880
Kabaddi Facility	1,750	1,700	-	-	-	3,450
NCP Funded Park Projects	900	1,000	-	-	-	1,900
New Park Shelters	150	-	-	-	-	150
New Park Washrooms	750	-	-	-	-	750
Newton Athletic Park Walking Track	1,000	-	-	-	-	1,000
Newton Turf & Washroom/Changeroom	4,400	1,100	-	-	-	5,500
Nicomexl Riverfront Park	1,600	1,600	1,600	1,600	600	7,000
Outdoor Volleyball Courts	200	100	-	-	-	300
Pop-up Heritage Displays	-	-	150	-	-	150
Sportsfield & Amenity Development	-	700	5,300	-	-	6,000
SSAP Track Replacement and New Artificial Turf Field	6,000	-	-	-	-	6,000
Sunnyside Reservoir Pickleball and Bike Park	800	-	-	-	-	800
Surrey Police Service Capital & Transition Requirements	23,084	5,400	5,000	5,000	-	38,484
Trail & Path Development	500	-	-	-	-	500
Unwin Community Park	-	-	-	6,000	-	6,000
	49,834	28,280	19,890	12,600	600	111,204
	181,934	48,630	40,390	31,150	12,800	314,904
<b>Unidentified - Budget Authority only (not funded)</b>	50,000	50,000	50,000	50,000	50,000	250,000
	\$ 392,862	\$ 324,602	\$ 292,014	\$ 342,829	\$ 267,086	\$ 1,619,393

NO: F003

COUNCIL DATE: November 30, 2020

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## FINANCE COMMITTEE

TO: **Mayor & Council**

DATE: **November 16, 2020**

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

FILE: **1705-05**

SUBJECT: **2021 Five-Year (2021-2025) Financial Plan – Utilities and Other Self-Funded Programs**

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### 1.0 RECOMMENDATION

It is recommended that the Finance Committee recommend Council:

1. Approve the rate adjustments outlined in Section 2.0 of this report; and
2. Direct staff to prepare the 2021 Five-Year (2021–2025) Financial Plan for each of the Water, Sewer, Drainage, Solid Waste, Parking, and District Energy self-funded programs respectively, incorporating the recommendations as contained in this report.

### 2.0 DISCUSSION

Self-funded programs, also known as utilities, follow the “user pay” approach that the City has applied consistently in the current and previous years’ budgets. Introducing the Financial Plan for these programs allows the City to propose the necessary rate adjustments, effective January 1, 2021. The following sections of this report discuss each of the self-funded programs separately.

#### 2.1 2021 Water Utility Rates

The City adopted the Residential Water Metering Program over 15 years ago and now provides service to more than 76,000 metered water utility accounts. In 2020, these metered accounts were charged \$1.1065 per cubic metre of water consumed. Due to increases in the Greater Vancouver Water District (“GVWD”) water rates and the Utility’s operating and capital cost demands, an increase in the water rates is necessary for 2021.

In 2021, the GVWD water charges will increase by 3.50% resulting in an increase in the GVWD bulk water charges of \$0.0274 per cubic metre. An increase of \$0.0094 per cubic metre, which represents a 2.9% increase over the City’s prior year portion of water charges, is also required to support the Utility’s operating, maintenance costs and capital programs.

Based on these changes, it is recommended for 2021 that the water utility metered rate be increased from \$1.1065 per cubic metre to \$1.1433 per cubic metre, which represents a combined

change in GVWD and the City's portion of water charges of \$0.0368 per cubic metre. This recommendation will equate to a total increase of \$13.24 per year for the average metered single family dwelling that consumes 360 cubic metres of water per year; and \$73.60 per year for an average business that consumes 2,000 cubic metres of water per year and that has a 50 mm water connection.

The non-metered or flat water rate (i.e. the rate charged to customers that do not have a water meter) will be increased based on the 'average' consumption of water by non-metered accounts and will reflect the proposed rate increase of \$0.0368 per cubic metre. The consumption by non-metered residential customers is estimated to be 800 cubic metres per year. A residential flat rate customer will see a \$29.44 per year increase.

The GVWD bulk water rates are projected to increase an average of 7.8% per year for each of the remaining four years of the Five-Year Plan. Proposed 2021 Water rate changes and their annual impact on average residential and commercial customers are summarized in Tables 1 and 2.

**Table 1 – Proposed Water Rate Changes**

	<b>GVWD Rate (per m<sup>3</sup>)</b>	<b>City of Surrey Rate (per m<sup>3</sup>)</b>	<b>Total Metered Rate (per m<sup>3</sup>)</b>
2020	\$0.7836	\$0.3229	\$1.1065
Increase per m <sup>3</sup> of water	\$0.0274 (3.5%)	\$0.0094 (2.9%)	\$0.0368 (3.3%)
<b>2021 (proposed)</b>	<b>\$0.8110</b>	<b>\$0.3323</b>	<b>\$1.1433</b>
% of Total Rate	71%	29%	100%

**Table 2 - Annual Impact on Water Customers**

<b>Customer Type</b>	<b>Average Water Consumption (m<sup>3</sup>)</b>	<b>Annual Impact of GVWD Increase</b>	<b>Annual Impact of City Increase</b>	<b>Overall Annual Impact</b>
Metered Single Family	360	\$9.86	\$3.38	\$13.24
Metered Commercial	2,000	\$54.80	\$18.80	\$73.60
Non-metered Residential	800	\$21.92	\$7.52	\$29.44

## **2.2 2021 Sewer Utility Rates**

The City provides service to more than 68,000 metered sewer utility accounts. In 2020, metered utility customers were charged \$1.2989 per cubic metre of sewer discharge. Due to increases in the Greater Vancouver Sewerage and Drainage District's ("GVS&DD") sewerage rates and the Utility's operating and capital cost demands, an increase in the sewer rates is necessary for 2021. Actual sewer usage is calculated as being 80% of the volume of water that is consumed by the metered water customers or estimated for the non-metered residential customers.

In 2021, the GVS&DD sewer charges will increase by 5.8% resulting in an increase in GVS&DD sewer charges of \$0.0587 per cubic metre of discharge volume. An increase of \$0.0083 per

cubic metre of discharge volume, which represents a 2.9% increase over the City's prior year portion of sewer charges, is also required to support the Utility's operating, maintenance costs and capital programs.

Based on these changes, it is recommended for 2021 that the sewer utility metered rate be increased from \$1.2989 to \$1.3659 per cubic metre of discharge volume, which represents a combined change in GVS&DD and the City's portion of sewer charges of \$0.0670 per cubic metre of discharge volume. This recommendation will equate to a total increase of \$19.30 per year for the 'average metered single family dwelling' that discharges 288 cubic metres (80% of 360 cubic metres of average water consumed) of sewage per year; and \$107.20 per year for a business that discharges 1,600 cubic metres (80% of 2,000 cubic metres of average water consumed) of sewage per year.

The sewer utility rate for non-metered customers will be increased based on the 'average' discharge of a non-metered customer of 640 cubic metres (80% of estimated 800 cubic metres of water consumed) and will reflect the proposed rate increase of \$0.0670 per cubic metre of discharge volume. A residential flat rate customer will see an increase of \$42.88 per year.

The GVS&DD sewer rates are projected to increase an average of 13.3% per year for each of the remaining four years of the Five-Year Plan. Proposed 2021 Sewer rate changes and their annual impact on average residential and commercial customers are summarized in Tables 3 and 4.

**Table 3 – Proposed Sewer Rate Changes**

	<b>GVS&amp;DD Rate (per m<sup>3</sup>)</b>	<b>City of Surrey Rate (per m<sup>3</sup>)</b>	<b>Total Metered Rate (per m<sup>3</sup>)</b>
2020	\$1.0123	\$0.2866	\$1.2989
Increase per m <sup>3</sup> of sewage	\$0.0587 (5.8%)	\$0.0083 (2.9%)	\$0.0670 (5.2%)
<b>2021 (proposed)</b>	<b>\$1.0710</b>	<b>\$0.2949</b>	<b>\$1.3659</b>
% of Total Rate	78%	22%	100%

**Table 4 - Annual Impact on Sewer Customers**

<b>Customer Type</b>	<b>Sewer Volume @ 80% of average water consumption (m<sup>3</sup>)</b>	<b>Annual Impact of GVS&amp;DD Increase</b>	<b>Annual Impact of City Increase</b>	<b>Overall Annual Impact</b>
Metered Single Family	288	\$16.91	\$2.39	\$19.30
Metered Commercial	1600	\$93.92	\$13.28	\$107.20
Non-metered Residential	640	\$37.57	\$5.31	\$42.88

### **2.3 2021 Drainage/Dyking/Flood Protection Utility Parcel Tax**

The Drainage Parcel Tax is currently \$227 per lot for residential, recreation and agricultural properties and \$509 for commercial properties. An increase of \$2 per residential and agricultural property per year; and an increase of \$50 per commercial and industrial property per year are proposed to support increased maintenance and capital costs in relation to the City's drainage infrastructure. With this proposed increase, the Drainage Parcel Tax for 2021



will be \$229 for residential and agricultural properties and \$559 for commercial properties. The respective impact of commercial and industrial properties in relation to infrastructure is reflected in their respective rate increases, as summarized in Table 5 below. Proposed 2021 Drainage Parcel Tax changes are summarized in Table 5.

**Table 5 - Proposed Drainage Rate Changes**

	<b>Residential and Agricultural</b>	<b>Commercial and Industrial</b>
2020	\$227	\$509
Increase	\$2	\$50
<b>2021 (Proposed)</b>	<b>\$229</b>	<b>\$559</b>

#### **2.4 2021 Solid Waste Utility Rates**

The City provides weekly residential curbside organic waste collection with alternating bi-weekly garbage and recycling services to approximately 106,500 single-family households and 31,000 secondary suites. The City also provides 35,000 residences from apartment buildings with centralized recycling service, while approximately 50% of these households additionally receive weekly organic waste collection services. The City processes the organic waste it collects at curbside into a renewable natural gas at its biofuel facility.

The Solid Waste Utility also provides street sanitation services to ensure the cleanliness and beautification of the City. These services include illegal dumping collection, large item pickup program ("LIPU"), litter pickup services, Pop-Up Junk events and streetscape litter bin collection. In 2019, the City launched the Love Where You Live Campaign, to support, enhance and heighten focus towards litter clean-up, illegal dumping clean-up and graffiti removal. This initiative proved to be beneficial towards cleaning and beautifying neighbourhoods, public streets, parks, and properties. To continue with the progress that has been made to date, in 2021 the City will continue to implement and advance its cleanup initiatives and infrastructure; education; waste diversion programs; drop-off events, reuse/repair events; and enhance enforcement efforts by deploying new surveillance technologies.

In 2020, garbage, recycling and organics collection service rates for single and multi-family customers were \$298 per year, while for secondary suite customers were \$145 per year. In 2021, Metro Vancouver tipping fee charges will increase by 3.5% (\$4 per tonne) resulting in a tipping fee of \$117 per tonne. Metro Vancouver is projecting that the Solid Waste Tipping fee will increase by \$4 per tonne in 2022 and \$7 each of the remaining three years of the Five-Year Plan.

Due to continuation of cleanliness and beautification initiatives and an increase in the Metro Vancouver tipping fee charges, it is recommended for 2021 that a 2.9% increase be applied, resulting in an annual collection rate of \$307 for single family and multi-family customers and \$153 for secondary suite customers. The increase will support the increased Metro Vancouver tipping fee as well as waste diversion, general litter cleanup around the City and capital infrastructure for street cleaning initiatives. Staff also recommends increasing the rates for Apartment/Townhouse recycling customers by \$1 to \$32 and for Apartment/Townhouse recycling and organic customers by \$1 to \$42 for increased LIPU collection service costs.

Proposed 2021 Solid Waste rate changes are summarized in Table 6.

**Table 6 - Proposed Solid Waste Rate Changes**

	<b>Single Family and Multi-family Garbage/Recycling/ Organics</b>	<b>Secondary Suite Garbage/Recycling/ Organics</b>	<b>Apartment/ Townhouse Recycling/ Organics</b>	<b>Apartment/ Townhouse Recycling</b>
2020	\$298	\$149	\$41	\$31
Increase	\$9 (2.9%)	\$4 (2.9%)	\$1 (2.9%)	\$1 (2.9%)
<b>2021 (Proposed)</b>	<b>\$307</b>	<b>\$153</b>	<b>\$42</b>	<b>\$32</b>

## **2.5 2021 Parking**

Revenue generated from parking rates covers the on-going operating and maintenance costs as well as contribute to the debt servicing costs of the Surrey Parking Authority. Parking Meter rates vary throughout the city and are set based on market demand and may vary by time of day.

2021 Parking rates are updated per the *Surrey Fee Setting Bylaw, 2001, No. 14577* (Bylaw 14577).

## **2.6 2021 District Energy**

District Energy, known as Surrey City Energy (“SCE”), is the City-owned district energy system that supplies residential, commercial and institutional buildings in City Centre with heat and hot water.

In 2020, customers were charged a variable energy rate (“Charge”) of \$55.31 per megawatt-hour and a fixed capacity rate (“Levy”) of \$0.0187 per square meter of the building area per day for Class 1 customers, and a fixed capacity rate (“Levy”) of \$0.2683 per kilowatt of peak heat energy demand per day for class 2 customers.

Class 1 customers are residential and mixed-use buildings where the non-residential portion of the building does not exceed 20% of the building area. Class 2 customers are any building where the non-residential portion of the building exceeds 20% of the building area.

Staff recommends that 2021 rates be held constant with the 2020 rates. This recommendation follows a similar approach as the proposed 2021 rate for BC Hydro which is a key benchmark for SCE rates and is forecasted to decrease by 0.8% in 2021 followed by an increase of 3.5 % in 2022. A modest increase to rates will be required in 2022 to enable the Utility to recover its long-term capital and operating costs from foregoing a slight increase in 2020 while providing stable and competitive energy rates for its customers. This recommendation is also recommended and supported by the independent External Rate Review Panel.

**Table 7 - Proposed SCE Rate Change (Charge)**

	<b>Class 1 &amp; Class 2</b>
	<b>(\$/MWh)</b>
2020	\$55.31
Increase	\$0.00
<b>2021 (proposed)</b>	<b>\$55.31</b>
Percent Increase	0%

**Table 8 - Proposed SCE Rate Change (Levy)**

	<b>Class 1 (\$/m<sup>2</sup>/day)</b>	<b>Class 2 (\$/kW/day)</b>
2020	\$0.0187	\$0.2683
Increase	\$0.0000	\$0.0000
<b>2021 (proposed)</b>	<b>\$0.0187</b>	<b>\$0.2683</b>
Percent Increase	0%	0%

### **2.7 Proposed 2021 Five-Year (2021–2025) Financial Plans**

Based on the above discussed adjustments, a draft Five-Year Financial Plan for each of the Water Utility (see Appendix “I”), the Sewer Utility (see Appendix “II”), the Drainage Utility (see Appendix “III”), the Solid Waste Utility (see Appendix “IV”), the Parking Utility (see Appendix “V”) and the District Energy Utility (see Appendix “VI”) has been prepared.

## **3.0 CONCLUSION**

Based on the above discussion, it is recommended that the Finance Committee recommend Council to:

1. Approve the rate adjustments outlined in Section 2.0 of this report; and
2. Direct staff to prepare the 2021 Five-Year (2021–2025) Financial Plan for each of the Water, Sewer, Drainage, Solid Waste, Parking, and District Energy self-funded programs, respectively, incorporating the recommendations as contained in this report.

Kam Grewal, CPA, CMA  
General Manager, Finance

Vincent Lalonde, P.Eng  
City Manager

#### **Attachments:**

Appendix “I”	2021 – 2025 Financial Plan – Water Utility
Appendix “II”	2021 – 2025 Financial Plan – Sewer Utility
Appendix “III”	2021– 2025 Financial Plan – Drainage Utility
Appendix “IV”	2021 – 2025 Financial Plan – Solid Waste Utility
Appendix “V”	2021 – 2025 Financial Plan – Parking Utility
Appendix “VI”	2021 – 2025 Financial Plan – Surrey City Energy Utility

**2021 - 2025 FINANCIAL PLAN**  
**WATER - FINANCIAL SUMMARY**  
*(in thousands)*

<b>REVENUE SUMMARY</b>	<b>2021 BUDGET</b>	<b>2022 PLAN</b>	<b>2023 PLAN</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>
Special Assessment	\$ 189	\$ 201	\$ 104	\$ 110	\$ 104
Taxation	189	201	104	110	104
Sale of Goods and Services	85,238	89,294	94,502	101,095	109,678
Developer Contributions	2	2	2	2	2
Investment Income	257	439	478	514	551
Penalties and Interest	845	886	938	1,003	1,089
Grants, Donations and Other	346	353	360	367	374
Other Revenue	1,191	1,239	1,298	1,370	1,463
<b>TOTAL REVENUE</b>	<b>\$ 86,877</b>	<b>\$ 91,175</b>	<b>\$ 96,384</b>	<b>\$ 103,091</b>	<b>\$ 111,798</b>
<b>EXPENDITURE SUMMARY</b>					
Operational Expenditures	\$ 68,052	\$ 71,586	\$ 76,017	\$ 82,298	\$ 90,420
<b>TOTAL EXPENDITURE</b>	<b>\$ 68,052</b>	<b>\$ 71,586</b>	<b>\$ 76,017</b>	<b>\$ 82,298</b>	<b>\$ 90,420</b>
<b>TRANSFERS SUMMARY</b>					
Transfers To/(From) Capital Sources	\$ 12,688	\$ 13,162	\$ 13,617	\$ 13,616	\$ 13,079
Transfers To/(From) Operating Sources	6,137	6,427	6,750	7,177	8,299
<b>TOTAL TRANSFERS</b>	<b>\$ 18,825</b>	<b>\$ 19,589</b>	<b>\$ 20,367</b>	<b>\$ 20,793</b>	<b>\$ 21,378</b>
<b>NET WATER</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Appendix “II”

### 2021 - 2025 FINANCIAL PLAN SEWER - FINANCIAL SUMMARY (in thousands)

<b>REVENUE SUMMARY</b>	<b>2021 BUDGET</b>	<b>2022 PLAN</b>	<b>2023 PLAN</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>
Special Assessment	\$ 35	\$ 36	\$ 37	\$ 39	\$ 40
Taxation	35	36	37	39	40
Sale of Goods and Services	67,560	73,285	81,841	91,854	106,898
Investment Income	129	211	211	211	211
Penalties and Interest	507	550	614	689	802
Other Revenue	507	550	614	689	802
<b>TOTAL REVENUE</b>	<b>\$ 68,231</b>	<b>\$ 74,082</b>	<b>\$ 82,703</b>	<b>\$ 92,793</b>	<b>\$107,951</b>
<b>EXPENDITURE SUMMARY</b>					
Operational Expenditures	\$ 65,303	\$ 70,521	\$ 78,289	\$ 86,504	\$ 100,241
<b>TOTAL EXPENDITURE</b>	<b>\$ 65,303</b>	<b>\$ 70,521</b>	<b>\$ 78,289</b>	<b>\$ 86,504</b>	<b>\$100,241</b>
<b>TRANSFERS SUMMARY</b>					
Transfers To/(From) Capital Sources	\$ 6,440	\$ 6,998	\$ 7,361	\$ 7,447	\$ 7,642
Transfers To/(From) Operating Sources	(3,512)	(3,437)	(2,947)	(1,158)	68
<b>TOTAL TRANSFERS</b>	<b>\$ 2,928</b>	<b>\$ 3,561</b>	<b>\$ 4,414</b>	<b>\$ 6,289</b>	<b>\$ 7,710</b>
<b>NET SEWER</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Appendix “III”

### 2021 - 2025 FINANCIAL PLAN DRAINAGE - FINANCIAL SUMMARY

(in thousands)

<b>REVENUE SUMMARY</b>	<b>2021 BUDGET</b>	<b>2022 PLAN</b>	<b>2023 PLAN</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>
Drainage Parcel Tax	\$ 42,013	\$ 43,203	\$ 44,348	\$ 45,525	\$ 46,733
Special Assessment	27	27	27	27	27
Taxation	42,040	43,230	44,375	45,552	46,760
Developer Contributions	234	234	234	234	234
Investment Income	56	140	191	224	259
Other Revenue	150	153	156	159	162
<b>TOTAL REVENUE</b>	<b>\$ 42,480</b>	<b>\$ 43,757</b>	<b>\$ 44,956</b>	<b>\$ 46,169</b>	<b>\$ 47,415</b>
<b>EXPENDITURE SUMMARY</b>					
Operational Expenditures	\$ 13,515	\$ 13,779	\$ 14,049	\$ 14,324	\$ 14,738
<b>TOTAL EXPENDITURE</b>	<b>\$ 13,515</b>	<b>\$ 13,779</b>	<b>\$ 14,049</b>	<b>\$ 14,324</b>	<b>\$ 14,738</b>
<b>TRANSFERS SUMMARY</b>					
Transfers To/(From) Capital Sources	\$ 12,989	\$ 13,345	\$ 14,127	\$ 15,661	\$ 17,706
Transfers To/(From) Operating Sources	15,976	16,633	16,780	16,184	14,971
<b>TOTAL TRANSFERS</b>	<b>\$ 28,965</b>	<b>\$ 29,978</b>	<b>\$ 30,907</b>	<b>\$ 31,845</b>	<b>\$ 32,677</b>
<b>NET DRAINAGE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Appendix “IV”

### 2021 - 2025 FINANCIAL PLAN SOLID WASTE - FINANCIAL SUMMARY

(in thousands)

<b>REVENUE SUMMARY</b>	<b>2021 BUDGET</b>	<b>2022 PLAN</b>	<b>2023 PLAN</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>
Sale of Goods and Services	\$ 46,946	\$ 48,541	\$ 50,181	\$ 51,867	\$ 53,600
Investment Income	54	110	141	180	226
Penalties and Interest	149	152	155	158	161
Other Revenue	149	152	155	158	161
<b>TOTAL REVENUE</b>	<b>\$ 47,149</b>	<b>\$ 48,803</b>	<b>\$ 50,477</b>	<b>\$ 52,205</b>	<b>\$ 53,987</b>
<b>EXPENDITURE SUMMARY</b>					
Operational Expenditures	\$ 34,410	\$ 35,015	\$ 35,713	\$ 36,425	\$ 37,151
Debt Interest	1,770	1,724	1,675	1,623	1,569
Debt Principal	888	935	983	1,035	1,089
<b>TOTAL EXPENDITURE</b>	<b>\$ 37,068</b>	<b>\$ 37,674</b>	<b>\$ 38,371</b>	<b>\$ 39,083</b>	<b>\$ 39,809</b>
<b>TRANSFERS SUMMARY</b>					
Transfers To/(From) Capital Sources	\$ 3,344	\$ 4,309	\$ 5,178	\$ 6,086	\$ 7,026
Transfers To/(From) Operating Sources	6,737	6,820	6,928	7,036	7,152
<b>TOTAL TRANSFERS</b>	<b>\$ 10,081</b>	<b>\$ 11,129</b>	<b>\$ 12,106</b>	<b>\$ 13,122</b>	<b>\$ 14,178</b>
<b>NET SOLID WASTE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Appendix “V”

### 2021 - 2025 FINANCIAL PLAN PARKING AUTHORITY - FINANCIAL SUMMARY (in thousands)

<b>REVENUE SUMMARY</b>	<b>2021 BUDGET</b>	<b>2022 PLAN</b>	<b>2023 PLAN</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>
Sale of Goods and Services	\$ 3,126	\$ 3,375	\$ 3,403	\$ 3,433	\$ 3,462
Other Revenue	1,091	1,277	1,369	1,468	1,573
<b>TOTAL REVENUE</b>	<b>\$ 4,217</b>	<b>\$ 4,652</b>	<b>\$ 4,772</b>	<b>\$ 4,901</b>	<b>\$ 5,035</b>
<b>EXPENDITURE SUMMARY</b>					
Operational Expenditures	\$ 1,480	\$ 1,516	\$ 1,526	\$ 1,534	\$ 1,543
<b>TOTAL EXPENDITURE</b>	<b>\$ 1,480</b>	<b>\$ 1,516</b>	<b>\$ 1,526</b>	<b>\$ 1,534</b>	<b>\$ 1,543</b>
<b>TRANSFERS SUMMARY</b>					
Transfers To/(From) Capital Sources	\$ 1,456	\$ 2,090	\$ 2,192	\$ 2,325	\$ 2,442
Transfers To/(From) Operating Sources	1,281	1,046	1,054	1,042	1,050
<b>TOTAL TRANSFERS</b>	<b>\$ 2,737</b>	<b>\$ 3,136</b>	<b>\$ 3,246</b>	<b>\$ 3,367</b>	<b>\$ 3,492</b>
<b>NET PARKING AUTHORITY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



## Appendix “VI”

### 2021 - 2025 FINANCIAL PLAN SURREY CITY ENERGY - FINANCIAL SUMMARY

(in thousands)

<b>REVENUE SUMMARY</b>	<b>2021 BUDGET</b>	<b>2022 PLAN</b>	<b>2023 PLAN</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>
Sale of Goods and Services	\$ 3,437	\$ 5,007	\$ 6,594	\$ 8,426	\$ 10,345
<b>TOTAL REVENUE</b>	<b>\$ 3,437</b>	<b>\$ 5,007</b>	<b>\$ 6,594</b>	<b>\$ 8,426</b>	<b>\$ 10,345</b>
<b>EXPENDITURE SUMMARY</b>					
Operational Expenditures	\$ 2,455	\$ 3,718	\$ 4,379	\$ 5,047	\$ 5,697
<b>TOTAL EXPENDITURE</b>	<b>\$ 2,455</b>	<b>\$ 3,718</b>	<b>\$ 4,379</b>	<b>\$ 5,047</b>	<b>\$ 5,697</b>
<b>TRANSFERS SUMMARY</b>					
Transfers To/(From) Capital Sources	\$ 759	\$ 964	\$ 1,786	\$ 2,831	\$ 3,976
Transfers To/(From) Operating Sources	223	325	429	548	672
<b>TOTAL TRANSFERS</b>	<b>\$ 982</b>	<b>\$ 1,289</b>	<b>\$ 2,215</b>	<b>\$ 3,379</b>	<b>\$ 4,648</b>
<b>NET SURREY CITY ENERGY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

NO: F004

COUNCIL DATE: November 30, 2020

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## FINANCE COMMITTEE

TO: **Mayor & Council**

DATE: **November 26, 2020**

FROM: **General Manager, Finance**

FILE: **1850-20**

SUBJECT: **City Grants for 2021**

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## RECOMMENDATION

It is recommended that the Finance Committee recommend Council approve the proposed 2021 City Grants as recommended by the Grants Evaluation Committee and as documented in Appendices “I”, “II” and “III” attached to this report.

## BACKGROUND

Each year, Council provides support to local non-profit and community-based organizations through the City Grants Program. These include On-going grants in the categories of Leases and Property Taxes, Business and Tourism Grants, Crime Prevention Grants, Community Grants, and One-time Grants. The City Grants Program is advertised on the City’s website and social media channels to notify the public about the application deadline. Interested parties are invited to apply for grants within certain parameters. A cross-departmental team reviews the applications for each program and makes recommendations to Council. Each request is evaluated using the Policy on Municipal Grants and the Guidelines for Grant Priorities, which is attached as Appendix “IV”. Appendix “V” provides a listing of approved 2020 grants, a brief description of the purpose of the grants and the amount of each approved grant.

### On-going Leases and Property Taxes

The On-going Leases component of the City Grants budget refers to City-owned land and/or space that is being used by not-for-profit organizations and for which the lease payments are forgiven.

An allocation for property taxes is included in the City Grants budget for not-for-profit organizations that would have qualified for a Permissive Property Tax Exemption but did not meet the submission deadline for such exemptions. Grants that are provided from this allocation are restricted to the municipal portion of the not-for profit organization’s property taxes.

### On-going Business & Tourism

The Business & Tourism component of the City Grants program includes the Cloverdale District of Commerce, South Surrey Chamber of Commerce, and Surrey Tourism and Convention Association. The two Chambers of Commerce play an important role in encouraging businesses to locate in Surrey and this grant supports their ongoing success.

The Surrey Tourism and Convention Association is a recognized destination marketing organization, with a mandate to market and promote the entire City through marketing initiatives and programs.

### **On-going Crime Prevention**

The Crime Prevention component of the City Grants program supports the City's Crime Reduction Strategy and includes, Surrey Crime Prevention Society ("SCPS"), Crime Stoppers, and the Lookout Emergency Aid Society ("Lookout").

SCPS is a committed partner in the enhancement of community safety in the City of Surrey. SCPS's dedicated and trained volunteers to contribute their time to support the following programs in the City of Surrey: Community Safety tours, Mentorship and Leadership Program, Citizens' Community Safety Watch, and Learn Experience Achieve Participate ("LEAP") High School Work Experience Program. Over time, SCPS has increased its programs and supported many projects in partnership with the City of Surrey, Surrey RCMP and Surrey Fire Department.

Crime Stoppers is a non-profit society that receives anonymous tip information about criminal activity and provides it to Surrey RCMP which helps to reduce investigation time and expenses. Furthermore, Crime Stoppers works with police to help with unsolved crimes in the community. Funding assessments to Crime Stoppers are based on each benefiting jurisdiction's population.

Lookout provides outreach, in-house and referral services for at risk Surrey youth living in poverty. Lookout's Surrey Street Youth Services ("SSYS") program assists youth who are alienated from caregivers and are unable to meet their basic needs for food, shelter, health, and safety. SSYS works in partnership with other Surrey based youth agencies helping to reduce youth poverty and youth homelessness by connecting individuals to services.

### **On-going Community**

The Community component of the City Grants program includes the Lower Fraser Valley Exhibition Association ("LFVEA"), Cloverdale Curling Club, Community Events Policing Grants, Sport & Tourism Grants, Community Enhancement Partnership ("CEP") Program Grants, Arts Council of Surrey, Vancouver Cancer Drivers Society, Honey Hooser Scholarship Fund, Peace Arch Weavers and Spinners Guild grant, Special Recognition Fund and Dry Grads Events.

The LFVEA operates the Cloverdale Fairgrounds and all facilities located on the grounds under an operating agreement with the City. The Cloverdale Fairgrounds serves as a venue for several community celebrations, festivals, and local community programs in addition to the annual Cloverdale Rodeo. As per the existing operating agreement, the City provides an annual base payment of \$407,000 to LFVEA plus Consumer Price Index ("CPI"). In addition, the City provides \$200,000 line of credit and an operating grant of \$225,000 to stage the annual Rodeo and Exhibition. The LFVEA secured a third party lease effective October 2020, and the revenue generated by this lease for the LFVEA is expected to offset the LFVEA's operating expenses during the term of the lease. In early 2021, staff will work with LFVEA management to amend the operating agreement to reflect this revenue source.

The Cloverdale Curling Club ("Club") provides recreational and social opportunities for Surrey residents through learn to curl programs, leagues, and other community events. The Club also

provides curling opportunities for several hundred elementary and secondary students each year, as well as seniors. On June 15, 2020, Council approved the renewal of the operating agreement between the City and the Club for a five-year period beginning from August 15, 2020 to August 15, 2025. Under the new agreement, the City will provide an annual base payment of \$70,358 per year plus CPI.

#### Community Events Policing Grants

The Community Events Policing Grant program reduces the burden of policing costs borne by community groups for events, parades, and festivals with free admission for the general public. This Grant program has an on-going intake through the City's Festival & Event Support Team application process. Any unallocated funding from this grant can be carried forward for future years.

#### Sport Tourism Grants

The City accepts applications for Sport Tourism grants on a biannual basis which are evaluated by the Sport Tourism Grant Committee. Any unallocated funding from this grant can be carried forward for future years.

#### Community Enhancement Partnership ("CEP") Program Grants

The Community Enhancement Partnership ("CEP") Program supports community engagement and beautification projects. The CEP Program has an on-going intake through an open application process. This Program provides grants to residents and organizations under two separate categories: Small Project Grants, with a maximum allocation of \$3,000, and Activity and Celebration Grants, with a maximum allocation of \$1,000. Any unallocated funding from this grant can be carried forward for future years.

The purpose of the Arts Council of Surrey is to promote and foster arts and cultural services in Surrey. Over time, the Arts Council has initiated, developed, and sponsored groups that have become self-sustainable.

Volunteer Cancer Drivers Society ("Society") organizes a volunteer driver program for cancer patients in the Metro Vancouver area that transports cancer patients for treatment, diagnosis, and follow-up care each month.

The City has established Honey Hooser Scholarship to be awarded each year to a graduating post-secondary arts student, to a student with an interest in arts and crafts graduating from a secondary school in Surrey, or to a disabled person with an interest in arts and crafts. The interest may be broad and include the study of the visual, graphic, or performing arts, or the development of the tools to facilitate these arts. The purpose of this scholarship is to benefit the community by encouraging persons having an interest in arts and crafts, to pursue studies in these areas.

The City also provides an annual grant to the Peace Arch Weavers & Spinners Guild, an organization promoting the art of weaving and spinning.

The budget for City Grants Program includes an allocation to a Special Recognition Fund. This is intended to be used to recognize individuals or groups who achieve extraordinary

accomplishments as determined by City Council. In this regard, individuals and groups/teams occasionally request financial assistance when they qualify for or are invited to attend a competition at a higher level such as a provincial, national, or world championship event. The budget also includes an allocation in support of Dry Grad celebrations at Surrey Secondary schools.

### **One-Time Grants**

The One-time grants program is designed to support all other local non-profit groups or organizations. Any unallocated funding from this grant can be carried forward for future years. Appendix "II" contains a listing of all proposed one-time grant applications for 2021. Appendix "III" contains a listing of all one-time grant requests not recommended by the Grants Evaluation Committee.

### **SUSTAINABILITY CONSIDERATIONS**

The City Grants Program supports the objectives of the City's Sustainability Charter 2.0. In particular, this program relates to the Sustainability Charter 2.0 theme of Inclusion, Built Environment and Neighbourhoods, Public Safety, Education & Culture and Health & Wellness. Specifically, this program supports the following Desired Outcomes ("DO"):

- Education & Culture DO1: Surrey has a culture of learning, with a broad range of diverse learning opportunities available and accessible to meet the needs of all residents;
- Inclusion DO2: Surrey is a caring and compassionate City that supports its residents of all backgrounds, demographics and life experiences;
- Health & Wellness DO3: Surrey has health services and programs to meet the current and changing needs of its diverse and growing population;
- Public Safety DO4: Local residents and businesses are connected and engaged within their neighbourhoods and with the broader community-including police, public safety partners, and social service agencies-to enhance safety;
- Inclusion DO6: Residents with disabilities are supported and able to participate fully in community life;
- Health & Wellness DO6: Residents participate in a wide range of recreational and leisure opportunities; and
- Built Environment and Neighbourhoods DO10: Opportunities for community food production are integrated into the private and public realm.

## CONCLUSION

Based on the above discussion, it is recommended the Finance Committee recommend Council approve the 2021 City Grants as recommended by the Grants Evaluation Committee and as documented in Appendices “I” , “II” and “III” attached to this report.

Kam Grewal, CPA, CMA  
General Manager, Finance

Appendix “I”:	2021 Proposed City Grants
Appendix “II”:	2021 Proposed City Grants (One-time)
Appendix “III”:	2021 Proposed City Grants (Not Recommended)
Appendix “IV”:	Policy on City Grants
Appendix “V”:	2020 Approved City Grants

## Appendix "I"



## 2021 FINANCIAL PLAN PROPOSED CITY GRANTS

Non-profit Organization	Description	2021 Proposed Amounts	Comments, Actions or Recommendations
1. Fraser Valley Heritage Railway Society	2021 Lease-in-kind	112,000	5554 176 Street
2. Surrey Sailing Club	2021 Lease-in-kind	24,000	3140 McBride Avenue
3. Surrey Heritage Society	2021 Lease-in-kind	57,000	6022 Highway 15
4. Panorama Ridge Riding Club	2021 Lease-in-kind	22,500	5381 125A Street
5. Lower Mainland German Shepherd Dog Club	2021 Lease-in-kind	6,000	19461 36 Avenue
6. Action BMX Association	2021 Lease-in-kind	12,000	12624 75 Avenue
7. Crescent Beach Swim Club	2021 Lease-in-kind	625	foot of McBride Avenue
8. Unallocated Property Taxes	Unallocated Taxes	5,000	Unallocated
<b>A. Total Leases and Property Taxes</b>		<b>239,100</b>	
9. Cloverdale District Chamber of Commerce	Business Tradeshow & Awards	10,000	same as last year
10. South Surrey/White Rock Chamber of Commerce	Business Referral Service & Festival, Awards	10,000	same as last year
11. Surrey Tourism & Convention Association	City Wide Tourism	10,000	same as last year
<b>B. Total Business &amp; Tourism</b>		<b>30,000</b>	
12. Surrey Crime Prevention Society	Crime Prevention, Community Safety	260,000	same as last year
13. Crime Stoppers	TIPS Line	55,000	Supports increase in population
14. Lookout Housing and Health Society	Street Youth Services	25,000	same as last year
<b>C. Total Crime Prevention</b>		<b>340,000</b>	
15. Lower Fraser Valley Exhibition	2021 Operations	409,200	As per operating agreement
16. Lower Fraser Valley Exhibition	2021 Operations	200,000	Line of credit
17. Cloverdale Rodeo	Event Support	225,000	As per operating agreement
18. Cloverdale Curling Club	2021 Operations	71,800	As per operating agreement
19. Community Events Policing	Matching Grant	125,000	same as last year
20. Sports Tourism	Matching Grant	50,000	same as last year
21. Community Enhancement Partnership Program	Matching Grant	45,000	same as last year
22. Arts Council of Surrey	BC Arts Council	5,000	\$5,000 matching grant
23. Volunteer Cancer Drivers Society	Free Transportation Services	5,000	same as last year
24. Honey Hooser Scholarship & Peace Arch Weavers and Spinners Guild	Scholarship	1,000	same as last year
25. Unallocated Special Recognition	Unallocated	5,000	Unallocated
26. Dry Grad Events	2021 Dry Grad Events	500	\$250 for each school
27. Unallocated Dry Grad Events	Unallocated	4,000	Unallocated
<b>D. Total Community</b>		<b>1,146,500</b>	
<b>Total On-going Grants</b>		<b>1,756,000</b>	
28. One-time Grants	Allocated	52,000	See <b>Appendix II</b> for details
29. Unallocated One-time Grants	Unallocated	31,400	Unallocated
<b>E. One-Time Grants</b>		<b>83,400</b>	
<b>Total City Grants</b>		<b>\$ 1,839,000</b>	



## 2021 FINANCIAL PLAN PROPOSED CITY GRANTS (ONE-TIME)

Non-profit Organization	Grant Type	Request	2021 Proposed Amount	Recommendations and Comments
1. Al Mustafa Academy Society	Health & Social	Funding towards "The Wellness Project" training sessions in Mental Health First Aid and The Working Mind programs to assist those people within the Muslim community in need of mental health support in the workplace.	1,000	Training costs
2. Backpack Buddies	Health & Social	Funding towards the Backpack Buddies program which provides healthy weekend meals and food to school age children living in poverty.	3,000	Food supplies
3. Better Cause Society	Health & Social	Funding towards the storage and distribution of donated, used furniture to Surrey residents in need.	3,000	Program costs
4. Boys and Girls Clubs of South Coast BC	Health & Social	Funding towards two custom-designed wooden storage benches for the Surrey Boys and Girls Club.	3,000	Program Equipment
5. Canadian Mental Health Association, Vancouver - Fraser Branch	Health & Social	Funding towards three Surrey Super Fun Groups which provide recreational, educational and supportive programs for vulnerable children and youth with mental illness or whose parents have mental health and/or addiction challenges.	3,000	Program costs
6. Cloverdale Community Kitchen	Health & Social	Funding towards the Cloverdale Christmas Hamper Program to purchase grocery gift cards for the hampers.	2,000	Grocery gift cards
7. Crescent Beach Property Owners Association	Health & Social	Funding towards the purchase and installation of three Automatic External Defibrillators in public areas on Crescent Beach in the event of a cardiac emergency.	2,000	Purchase of AED
8. Downtown Surrey Business Improvement Association	Community Promotion	Funding towards Movies Under the Stars Drive In 2021 - August 2021 at Holland Park.	2,500	Portapotties and hand washing stations
9. Downtown Surrey Business Improvement Association	Culture & Rec	Funding towards weekly "Surrey Voices" summer event to share and promote cultural awareness within Surrey.	1,500	Event costs





## 2021 FINANCIAL PLAN PROPOSED CITY GRANTS (ONE-TIME)

## Appendix "II-2"

Non-profit Organization	Grant Type	Request	2021 Proposed Amount	Recommendations and Comments
10. Find Your Forte	Culture & Rec	Funding forwards the expansion and adaptation of the music education program, which provides free weekly piano lessons to children in foster care and from low-income families, due to increasing demand.	1,500	Program costs
11. Fraser Region Community Justice Initiatives Association	Health & Social	Funding towards the "Youth Black Book" online guide and wallet-sized information cards with website location and emergency contact numbers for support services for at-risk youth.	2,000	Printing costs
12. Greater Vancouver Law Students' Legal Advice Program	Health & Social	Funding towards hiring an additional law student to work at program clinics over the summer months.	2,500	Promotion and facility rentals
13. Moving Forward Family Services	Health & Social	Funding towards one qualified counsellor to co-facilitate with two interns (in-kind) 6 online group counselling programs.	2,000	Program costs
14. Muslim Food Bank and Community Services	Health & Social	Funding towards training 50 caseworkers in trauma-informed practices to help refugees throughout the Covid-19 pandemic with various needs and insecurities such as capacity building, emotional support, food assistance and career development.	2,000	Counselling and training costs
15. Newton Business Improvement Association	Community Promotion	Funding towards the "Car Free Day" community festival and market on June 12, 2021.	2,000	Event promotion and marketing
16. Pacific Community Resources Society	Health & Social	Funding towards the City Centre Youth Hub "Food for Youth" program that provides cooking lessons and nutritious meals 3 times/week and snacks to at-risk and vulnerable youth in Surrey.	2,000	Food supplies
17. Pacific Post Partum Support Society	Health & Social	Funding towards the free telephone and text support lines program that provides counselling and information for women suffering from post partum depression or anxiety, their caregivers and family members.	2,000	Program supplies
18. Pathfinder Youth Centre Society	Health & Social	Funding towards the "Employment Beginnings" program to provide vulnerable youth clients (aged 15 - 30) with skills and knowledge to overcome their barriers to employment.	2,000	Food bank supplies



## 2021 FINANCIAL PLAN PROPOSED CITY GRANTS (ONE-TIME)

Non-profit Organization	Grant Type	Request	2021 Proposed Amount	Recommendations and Comments
19. PLEA Community Services Society of BC	Health & Social	Funding towards Taking Care of Ourselves prevention workshops for children and youth about protecting themselves from sexual exploitation and sex trafficking.	2,000	Training costs and supplies
20. SOS Children's Village BC	Health & Social	To support vulnerable youth to prevent or end their homelessness by teaching them life skills towards their independence.	3,000	Transportation costs
21. St. Michael's Anglican Church	Community Promotion	Funding towards the installation of above ground garden beds in a community garden program for local residents.	1,000	Program supplies
22. Surrey Amateur Radio Communications	Culture & Rec	Funding towards Field Day event June 25 - 27, 2021	500	Event costs
23. Surrey Christmas Bureau Society	Health & Social	To support the grocery voucher program for low income and struggling families for the Christmas season.	3,500	Grocery gift cards
24. Surrey Community Cat Foundation	Health & Social	To support the spay program for surgeries for 10 cats owned by low income residents in Surrey.	1,500	Program costs
25. You Wear it Well...Just for Grads Society	Health & Social	Funding towards venue rent and insurance for the "Boutique Day" event March 7, 2021, for graduation attire for at-risk students, encouraging them to stay in school and attend their graduation ceremonies.	2,500	Venue rent and insurance
			52,000	

## Appendix "III"



**2021 FINANCIAL PLAN  
PROPOSED CITY GRANTS  
NOT RECOMMENDED**

	Non-profit Organization	Grant Type	Request	Request Amount	2021 Proposed Amount	Recommendations and Comments
1.	Balsar Community Foundation	Environment	Funding towards the Foam Free Vaisakhi campaign which aims to develop alternatives to styrofoam containers at Vaisakhi and other events.	2,500	0	Ongoing operational costs not eligible
2.	Downtown Surrey Business Improvement Association	Community Promotion	Funding towards supplies for the "Art Cart", a fully stocked cart for placemaking activities in Downtown Surrey for public participation in July and August.	750	0	Defer to Community Enhancement Program Grant
3.	Port Kells Community Association	Health & Social	Funding towards Hall operation and transitioning the Association through one more year of the Covid-19 pandemic in order to prevent its closure after 101 years.	12,084	0	Ongoing operational costs not eligible
4.	Senator Reid Elementary School	Health & Social	Funding towards a new playground structure project.	15,000	0	Defer to Parks, Recreation and Culture
5.	Fraser Valley Heritage Railway Society	Culture & Rec	Funding towards an expansion to the heritage railway station platform to allow for physical distancing of railway passengers.	40,000	0	Request is more than the current practice of one-time grant award in the range of \$500-\$3,500
6.	GJ Multicultural Services Society	Health & Social	Funding towards the "Turning Barriers Into Bridges" summer program to showcase cultural and religious diversity in Surrey by community leaders presentations, youth networks, community connections, cultural guided tours, visiting places of worship.	10,000	0	Limited community benefit
				<b>\$ 80,330</b>	<b>\$ 0</b>	

## Appendix “IV-1”

No. D-26 (1)

### POLICY ON CITY GRANTS

1. That two categories of grants be established:
  - Category A - ongoing grants from year-to-year.
  - Category B - all other grants generally for one-time requests.
2. That a Global Grants Budget be placed in the Annual Financial Plan.
3. That total grants not exceed the Global Grants Budget.
4. That grants be intended for specific programs, capital projects, or special events.
5. That all applications for grants must be received at the office of the City Clerk not later than 4:30 p.m., September 30th of each year, or if the City Hall is closed on that day, on the next following day on which the City Hall is open. Grant applications received after that time will not be considered for funding unless the requirement for funding was not reasonably foreseeable prior to September 30th, and unless the requirement for funding is critical to the survival of the organization's programs, capital project, or special event.
6. That grants not be provided to groups for travel, save and except for groups travelling under the Sister City Program.
7. That a Grant Fund in the amount of \$5,000 be established as a Special Recognition Fund for groups, which have achieved extraordinary accomplishments as determined by Council throughout the year.
8. That organizations providing services that are the responsibility of other levels of government will not normally be eligible for grants unless the consequences of not funding the grant would result in a significant disadvantage to Surrey which would outweigh the cost of the grant itself. (Example: An organization would lose significant funding from other benefactors without Surrey's participation by way of a nominal grant).
9. That grants not be provided to cover deficits or on-going operating costs.
10. Criteria For Grant Eligibility:
  - (a) The organization must meet the requirements of Sections 8, 24 and 25 of the *Community Charter*.
  - The organization shall have an active governing body composed of volunteers. Its main responsibility shall be program and policy development, and fund-raising. The governing body must be held responsible for the effectiveness of services provided and for financial accountability for funds received from all sources.

## **Appendix “IV-2”**

### **POLICY ON CITY GRANTS (cont'd)**

- (c) All organizations shall have the following or similar clauses in their constitution and bylaws:
  - i. Paid staff members cannot be voting members of the Board of Directors (or the governing body).
  - ii. No Director shall be remunerated for being or acting as a Director, but Directors may be reimbursed for all expenses necessary and reasonably incurred while carrying out their duties as authorized by the organization.
- (d) The organization shall show evidence that it has fully explored all other viable sources of financial support.
- (e) The organization must extend its service to the general public in Surrey, and must not exclude anyone by reason of race, religion, or ethnic background.
- (f) The organization must not act as a general fund-raiser for, or make grants to, various other groups or organizations.
- (g) The organization must agree to submit an evaluation of the use of the Surrey grant at the end of the program/project/event, or by September 30th, whichever occurs sooner.
- (h) The organization must not view the grant as an automatic on-going source of

## Appendix “IV-3”

### **GUIDELINES FOR GRANT PRIORITIES (cont'd)**

5. The quality of the organization's previous and current administration and management, and the length of time and the degree to which the organization has provided previous service to the community:
  - Who are the officers or elected officials of the organization?
  - Is the organization well-known to Surrey residents for their service?
  - What is their history of service to Surrey?
  - What are the future plans and goals of the organization?
  - Has the organization previously received funds from Surrey, and did they submit an evaluation for the use of those funds?

### **PROCEDURE FOR PROCESSING GRANT REQUESTS**

1. Applicants must submit a grant application to the City Clerk on the prescribed form, by September 30th in order to be considered for a grant for the following year.
2. A Grants Evaluation Committee, consisting of a staff representative from Finance, Parks, Recreation, Culture and Corporate Services, will review all grant applications to ensure completeness and to ensure grant eligibility as specified by policy.
3. New grant requests shall be listed under the following categories:
  - Taxes
  - Community Promotion
  - Environmental
  - Cultural and Recreational
  - Health and Social Services
4. The Grants Evaluation Committee will (after consultation as they deem necessary with the grant applicants, with City General Managers or their staff, with other Surrey Committees or Commissions, or with community groups) submit to the Finance Committee of Council, a list of all grant applications along with recommended grant amounts. The total of the recommended grants shall not exceed the total grants budget funding available, and a minimum of \$10,000 of the grants budget shall remain unallocated for critical, unanticipated grant requests received after September 30th.
5. The Finance Committee of Council will review the recommendations of the Grants Evaluation Committee, and may request additional information or request to hear delegations. The Finance Committee will then submit a list of recommended grant amounts to Council for their review and for the necessary approval. The approved grants shall be subject to final confirmation by Council after all appeals have been dealt with.
6. The City Clerk shall notify all applicants, by regular mail, of Council's initial decision, and shall advise them of the Appeal Procedure. Applicants shall be advised that grant amounts are subject to final confirmation by Council after all appeals have been dealt with.
7. The Grants Evaluation Committee shall be responsible for ensuring that all organizations, which receive a grant, submit an evaluation report on the use of the grant funds.

## **Appendix “IV-5”**

### **PROCEDURE FOR GRANT APPEALS**

Appeals of Council's decisions will be considered only in instances where additional grant funds are required to prevent unforeseen circumstances which could result in employee lay-offs or threaten the financial well-being or survival of the organization, or where significant new information will be presented which was not available during the grants review process.

Organizations must notify the City Clerk in writing, within 14 days from the date that the grant notifications were mailed, that they wish to appeal Council's decision. The grant applicants must give a clear explanation of why they feel they qualify for an appeal. The appeal request will be presented to Council for a decision on whether the appeal will be considered, and the applicant shall be notified accordingly.

If the appeal is not successful, that organization may not reapply for funding of the same service in the same funding year.

### **PROCEDURE FOR PROCESSING LATE GRANT APPLICATIONS**

Grant applications received after the September 30th deadline will be referred to the Grants Evaluation Committee for the following action:

- (a) If the requirement for grant funds was not reasonably foreseeable prior to September 30th, and if the requirement for immediate funding is critical to the survival of the organization or the event, then the Grants Evaluation Committee may refer the application to Council along with a recommended grant amount.
- (b) If the Grants Evaluation Committee believes that the grant application does not qualify for consideration under 5, then the Committee shall advise the grant applicant in writing that they do not qualify for consideration, but that they may reapply by the September 30th deadline for the following year. The applicant shall be advised that they may appeal this action of the Committee by requesting the City Clerk in writing to refer their application directly to Council, and by explaining why they should receive special late consideration for a grant. The appeal will be forwarded to Council for consideration, along with a recommendation from the Grants Evaluation Committee.

### **PROCEDURE FOR SETTING A GLOBAL GRANTS BUDGET**

Prior to September 30th of each year, the Grants Evaluation Committee shall review the present year's budget, consult with larger ongoing grant recipients as necessary, and then submit a recommended global grants budget to the City Manager. The City Manager shall review the recommendation, and include a Global Grants Budget amount in the preparation of the Annual Financial Plan.





**2020 FINANCIAL PLAN  
APPROVED CITY GRANTS**

## Appendix “V”

Non-profit Organization	Description	2020 Approved Amounts	Comments, Actions or Recommendations
1. Fraser Valley Heritage Railway Society	2020 Lease-in-kind	112,000	5554 176 Street
2. Surrey Sailing Club	2020 Lease-in-kind	24,000	3140 McBride Avenue
3. Surrey Heritage Society	2020 Lease-in-kind	57,000	6022 Highway 15
4. Panorama Ridge Riding Club	2020 Lease-in-kind	22,500	5381 125A Street
5. Lower Mainland German Shepherd Dog Club	2020 Lease-in-kind	6,000	19461 36 Avenue
6. Action BMX Association	2020 Lease-in-kind	12,000	12624 75 Avenue
7. Crescent Beach Swim Club	2020 Lease-in-kind	625	foot of McBride Avenue
8. Christians' Gospel Society	2019 Property Taxes	211	18780 58 Avenue
9. Unallocated Property Taxes	Unallocated Taxes	4,764	Unallocated
<b>A. Total Leases and Property Taxes</b>		<b>239,100</b>	
10. Cloverdale District Chamber of Commerce	Business Tradeshow & Awards	10,000	same as last year
11. South Surrey/White Rock Chamber of Commerce	Business Referral Service & Festival, Awards	10,000	same as last year
12. Surrey Tourism & Convention Association	City Wide Tourism	10,000	same as last year
<b>B. Total Business &amp; Tourism</b>		<b>30,000</b>	
13. Surrey Crime Prevention Society	Crime Prevention, Community Safety	260,000	Increase of \$30,000
14. Crime Stoppers	TIPS Line	50,000	Supports increase in population
15. Lookout Housing and Health Society	Street Youth Services	25,000	same as last year
<b>C. Total Crime Prevention</b>		<b>335,000</b>	
16. Lower Fraser Valley Exhibition	2020 Operations	407,000	as per operating agreement
17. Lower Fraser Valley Exhibition	2020 Operations	200,000	Line of credit
18. Cloverdale Rodeo	Event Support	225,000	as per operating agreement
19. Cloverdale Curling Club	2020 Operations	71,400	as per operating agreement
20. Community Events Policing	Matching Grant	125,000	\$70K increase from prior year
21. Sports Tourism	Matching Grant	50,000	same as last year
22. Community Enhancement Partnership Program	Matching Grant	45,000	same as last year
23. Arts Council of Surrey	BC Arts Council	5,000	\$5000 matching grant
24. Volunteer Cancer Drivers Society	Free Transportation Services	5,000	same as last year
25. Honey Hooser Scholarship & Peace Arch Weavers and Spinners Guild	Scholarship	1,000	same as last year
26. Unallocated Special Recognition	Unallocated	5,000	Unallocated
27. Dry Grad Events	2020 Dry Grad Events	750	\$250 for each school
28. Unallocated Dry Grad Events	Unallocated	3,750	Unallocated
<b>D. Total Community</b>		<b>1,143,900</b>	
<b>Total On-going Grants</b>		<b>1,748,000</b>	
29. One-time Grants	Allocated	72,700	Various Not-for-Profit Organizations
30. Unallocated One-time Grants	Unallocated	18,300	Unallocated
<b>E. One-Time Grants</b>		<b>91,000</b>	
<b>Total City Grants</b>		<b>\$ 1,839,000</b>	

CITY OF SURREY

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# ADJOURNMENT

