

NO: **F005**

COUNCIL DATE: **November 28, 2016**

FINANCE COMMITTEE

TO: **Mayor & Council**

DATE: **November 22, 2016**

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

FILE: **1705-05**

SUBJECT: **2017 Five Year (2017-2021) Financial Plan - Capital Program**

1.0 RECOMMENDATION

It is recommended that the Finance Committee recommend that Council:

- a) Approve a \$10.00 increase to the Capital Parcel Tax, as discussed in Section 3.1 of this report;
- b) Approve the capital projects as outlined in Section 3.0 of this report; and
- c) Direct staff to prepare the 2017 Five-Year (2017–2021) Capital Financial Plan incorporating these projects.

2.0 BACKGROUND

A summary of the 2016 – 2020 Five Year Capital Plan is attached as Appendix “I”. The following is an update on the major projects that were funded in the 2016 component of that Plan:

2.1 North Surrey Arena Replacement

The North Surrey Arena contains 2 sheets of ice; one of the sheets was built in 1966 and is at the end of its useful life. To ensure that the users of that arena are not displaced due to a facility failure, it is necessary to plan and build a new three sheet replacement facility that will accommodate this demand plus future growth. This replacement will take place in South Westminster prior to closing the existing arena. It is anticipated that the multi-year budget requirement for this project will be \$52.0 million.

2.2 District Energy System

Construction of the second temporary natural gas boiler plant and associated distribution system expansion was completed in 2016, in advance of service to Surrey City Energy’s next two customers. Detailed design was continued for the permanent natural gas peaking plant at the future West Village Park at 103 Avenue and 133 Street. This plant will be completed in 2018 at which time the temporary natural gas boilers will be relocated to serve new customers in locations where the distribution system is not yet available.

District Energy infrastructure costs are fully recovered from future customers through their rate structure.

2.3 South Surrey Operations Centre

The re-establishment of a South Surrey Operations Centre is required to improve customer service and increase the productivity and efficiency of staff conducting maintenance of our City streets and parks throughout the South Surrey community. The new facility will be located on City owned land at 16666 -24 Avenue. In late 2015/early 2016, a portion of the site was leased to Metro Vancouver to accommodate its existing regional water reservoir and a future reservoir. Over the course of 2016, City staff successfully renegotiated repositioning of the lease boundary to ensure that Metro Vancouver can accommodate two additional water reservoirs, situated in a manner that will allow the City to maximize development of its future Operations Centre while maintaining a high number of old growth trees on site. In addition, in the fall of 2016, staff awarded a construction contract for the Operations Centre. Ground breaking on this site has commenced. This \$18.5 million project is scheduled for completion by the fall of 2017.

2.4 Clayton Recreation & Culture Facility

In consideration of the growth that has occurred in East Clayton and the growth that is expected over the next few years in West Clayton, the planning and concept design of a new community hub in Clayton that integrates arts, library, recreation and outdoor spaces in a single facility was completed. The total project budget is expected to be \$41.8 million.

2.5 RCMP Space Renovation at Old City Hall

The former City Hall will be upgraded to accommodate the RCMP Detachment expansion. Staff will occupy the south tower and the main floor of the west wing. Interior renovations, system updates and improvements to the parking compound will be completed by the end of 2016, with the remaining improvements required through to 2018. Total renovations are expected to cost \$13.5 million.

2.6 Training Centre Expansion – Hall # 9

This project will expand and reconfigure the Central Training Centre to allow for increased training services for all City Departments with added classrooms for lecture environments. The reconfiguration of the site will also improve traffic safety access to the site, and provide onsite parking that allows for unencumbered onsite live public safety training exercises to run in conjunction with a revenue-based client schedule. The site design will provide for long term cost efficient consideration of future opportunities. The total budget for this project is \$6.0 million.

2.7 Newton Athletic Park Master Plan

Enhancements to the Newton Athletic Park have been on-going. In 2016, design and construction of renovations to the existing field house was undertaken. A mini soccer field will be converted to artificial turf for practice and warmup. As well, the schematic design for a new cricket field house with public washrooms and community space will be undertaken for construction in 2017.

2.8 Newton Urban Park

This project will create a central urban park for the Newton Town Centre including festival and public event spaces. It will encourage and develop place-making opportunities through public art and urban design elements. The multi-year budget for this project is \$3.0 million.

2.9 Cloverdale Twin Arena

Due to additional demand for ice sports, there is a need for a new twin sheet arena in the Cloverdale area. The new arena complex will be designed to be efficient and welcoming as it serves the community and the region for ice hockey, figure skating, public lessons & skating sessions as well as dry floor summer use. It is expected that this multi-year project will cost \$35.0 million to complete.

2.10 Museum Expansion

The phase 2 expansion will complete the Surrey Museum and add to the Learning and Discovery Campus. Design began in 2016 and construction will begin in 2017 through to Fall 2018. Included in this expansion will be a 2,500 sf Feature Gallery for regional, national and international exhibitions, a program room for public programs, a large foyer for community events, an expanded collections storage, an exhibition construction workshop and new volunteer space. In addition, the Kids Gallery will be expanded from 800 sf to 2,000 sf to create dynamic interactive programs for young families in Surrey. The final phase of the project is anticipated to cost \$10.0 million.

2.11 Biodiversity Conservation Program

The Biodiversity Conservation Strategy, has been developed to preserve, protect and enhance Surrey's biodiversity in the long term, through identifying current biodiversity resources, establishing management criteria for our green infrastructure and urban ecosystems, recommending policy and procedures to support the initiatives in the plan and to provide long term monitoring. A major component of the City's management plans includes the acquisition of land. To date, the City has purchased \$600,000 worth of critical lands, to support this initiative while a more significant and long term funding mechanism is established.

2.12 RCMP Front Counter Enhancements

Due to new security regulations established by RCMP, the lobby entrance at the main detachment was expanded to accommodate improved reception protection. Work on this project began in 2015 was completed in early 2016.

2.13 Fixtures & Equipment at Various Facilities

In 2016, computer controls for the 3rd ice surface at Surrey Sport and Leisure were replaced along with the purchase of some minor equipment needs at Sunnyside Hall and Fraser Heights Recreation Centre. In addition, preschool programs across the City received equipment upgrades; additional equipment replacement will take place over the next two years.

Improvements were made to the theatre and gallery lighting at the Surrey Arts Centre to improve efficiency and drapery and audio equipment will also be enhanced to meet both efficiency and programming needs. Repairs and replacement totalled \$82,000.

2.14 Cultural Corridor

The Cultural Strategic Plan was adopted by Council in 2012, and the Surrey Public Art Plan recommends expanding Surrey's cultural corridor, which is comprised of cultural opportunities generally following King George Boulevard, from City Centre to South

Surrey. Expansion of art and cultural opportunities along the Cultural Corridor will engage the artistic community in creating positive destinations for local residents and visitors.

2.15 Performing Arts Space Feasibility and Land Acquisition

To further complement the existing Surrey Arts Centre's 400 seat theatre and City Hall's Centre Stage 200 seat theatre, a new performing arts space is planned in the City. Given the City's growth and large geographic, there is demand for an additional performing arts space. This budget will support critical land acquisition. This is a multi-year project that is estimated to cost \$10.7 million.

2.16 Artificial Turf Fields

This funding will provide for the initial design of an additional artificial turf field at the Cloverdale Athletic Park with construction to begin in 2017. The total project cost will be \$2.0 million and there will be no additional operating costs associated with this project as costs are recovered through user fees for the artificial turf fields.

2.17 RCMP District Office Relocation

Staff have extended the lease agreements for both the Cloverdale and the Newton District Offices in order to improve the opportunity for appropriate site selection. Staff are actively exploring possible sites for the relocation of these offices.

2.18 City Centre Art Space

In 2015, the interior demolition of this space was completed and a request for expressions of interest for an arts group to operate the space was issued. The operators have been selected (Streerich Hip Hop Society and the Royal Canadian Theatre Company) and the remaining renovations will be completed in 2016. The facility will be operational in the first quarter of 2017. The total budget for the initial phase of the project is \$250,000.

3.0 DISCUSSION

The Annual Capital Program is composed of the following elements:

- 1) On-going general capital programs and minor capital projects to maintain and/or enhance the City's current inventory of infrastructure, and
- 2) Major Capital, which includes a series of new large-scale capital projects that will be constructed over the next few years to support business and residential growth over the next 10 years.

3.1 Available Funding for the Capital Program

The following table documents the revenue sources of funding that are expected to be available in each of the next five years to support the Annual Capital Program under that assumption that Council will approve a \$10.00 increase to the residential Capital Parcel Tax (\$25.00 to the business Capital Parcel Tax). Alternatively, Council can choose to increase to the annual property tax levy by 0.54% to support the capital program.

	2017	2018	2019	2020	2021
General Program					
Contribution from General Operating	\$ 7,400	\$ 9,800	\$ 12,400	\$ 15,200	\$ 18,200
Proceeds from Gaming Revenue	3,800	3,800	3,800	3,800	3,800
Proceeds from SCDC Dividends	4,500	4,500	4,500	4,500	4,500
Proceeds from Tree Replacement Revenue	1,200	1,325	1,450	1,475	1,500
Contribution from City Reserve Funds	7,462	4,136	4,411	4,596	4,992
Other Contributions	100	1,325	0	0	0
Canada Grant	1,277	166	166	166	0
Prior Years' Operating Savings	0	500	0	500	0
Repayable Contribution from Internal Sources	33,960	73,750	22,300	1,000	850
NCP/Amenity Contributions	2,950	810	2,737	2,000	4,000
Contributions from Utility Funds	17,993	13,056	8,603	9,636	9,895
TOTAL FUNDING SOURCES	\$80,642	\$ 113,168	\$60,367	\$42,873	\$47,737

Included in the above funding is \$1,277,000 for matching grant funding from the Federal “Canada 150 Community Infrastructure Program”. The breakdown of this grant funding follows:

Anniedale School Relocation	\$ 0.134M
Boiler Replacement for Outdoor Pools	0.168M
Clayton Hall Improvements	0.150M
Cloverdale Recreation Centre Flooring	0.075M
Elgin Hall Upgrades	0.300M
Newton Wave Pool Improvements	0.225M
Surrey Art Gallery H-Vac	0.225M
Total	\$ 1.277M

3.2 On-going Capital Requirements

On-going capital is required to sustain our existing assets through major maintenance type initiatives such as building envelope, roof repairs and technology enhancements and to initiate minor facility enhancements such as flooring and washroom improvements along with minor park enhancements.

The following table documents the breakdown of funding required over the next five years.

	2017	2018	2019	2020	2021
Building Repairs and Upgrades	4,083	2,381	1,831	1,936	1,600
Parking Lot Repairs and Upgrades	250	250	250	250	250
Library Books	2,100	2,100	2,100	2,100	2,100
City Beautification - Green City Program	600	650	700	800	800
Sundry & Contingency	300	400	500	529	500
Land Purchases	500	500	500	4,000	11,150
Contribution to New Technology	2,120	1,600	1,500	2,000	2,500
Contribution to Roads & Traffic	5,273	5,605	5,957	6,330	6,725
Contribution to Parks Development	3,135	3,090	3,510	3,450	3,500
TOTAL ON-GOING CAPITAL REQUIREMENTS	\$18,361	\$ 16,576	\$16,848	\$21,395	\$29,125

Some of the initiatives that will be addressed over the next five years include exterior and interior upgrades, building envelope repairs, video surveillance, park staircase repairs, playground renovations and minor park improvements. In addition, some specific high priority items have been identified to be addressed in 2017; as a result of the availability of grant funding.

3.3 Major Capital

The following table identify the major capital projects that are expected to be undertaken over the next five years. They are categorized between capital funded from borrowing and/or general operating and self-funded capital.

3.3.1 General Capital

GENERAL CAPITAL PROJECTS	2017	2018	2019	2020	2021
Ranked Projects					
Clayton Recreation & Culture Facility (Total \$41.8 M)	10,000	9,750	12,000	-	-
North Surrey Arena Replacement (Total \$52.0 M)	9,250	16,500	-	-	-
Museum Expansion (Total \$10.0 M)	5,500	4,000	-	-	-
Cloverdale Twin Ice Surface (Total \$35.0 M)	5,250	29,000	-	-	-
RCMP Space Renovations at OCH (Total \$13.9 M)	4,660	-	-	-	-
Artificial Turf	1,000	1,000	1,000	1,000	1,000
Newton Urban Park	1,000	1,000	-	-	-
Recreation Equipment Needs	689	105	80	-	-
Performing Arts Centre (Total \$10.8 M)	500	10,000	-	-	-
Glades Parking	500	1,000	-	-	-
Vehicle for Illegal Dumping	405	-	-	-	-
Multi-Purpose Outdoor Sport Box	300	-	-	-	-
Newton Athletic Park Master Plan	250	1,000	1,600	-	-
Interurban Storage Barn	150	-	-	-	-
Cloverdale Athletic Park Fieldhouse	100	2,275	-	-	-
South Surrey Art Gallery and Café	100	250	2,650	-	-
Community Safety Centre	100	-	-	-	-
Vehicle for Cart Delivery	90	-	-	-	-
RCMP Cell and Exhibit Enhancement	-	3,000	5,000	-	-
RCMP District Office Relocation	-	3,000	-	-	-
Grandview Pool - Parking	-	1,800	-	-	-
Cultural Corridor	-	500	1,232	-	-
YMCA Partnership	-	-	10,000	10,000	-
Unranked Capital	-	-	-	-	4,850
	\$ 39,844	\$ 84,180	\$ 33,562	\$ 11,000	\$ 5,850

3.3.1.1 Clayton Recreation & Culture Facility

In consideration of the growth in East Clayton and the development expected over the next few years in West Clayton, the planning and concept design of a new community hub in Clayton that integrates arts, library, recreation, and outdoor spaces in a single facility was completed in 2016. Detailed design will be initiated in 2017. The total project budget is expected to be \$41.8 million.

3.3.1.2 North Surrey Arena Replacement

The North Surrey Arena contains 2 sheets of ice; one of the sheets was built in 1966 and is at the end of its useful life. To ensure that the users of that arena are not displaced due to a facility failure, it is necessary to plan and build the replacement of the 2 sheets prior to closing the existing arena, an additional sheet of sheet of ice will be added to meet the growing demand for ice sports and dry floor use in the City resulting in a 3 sheet sports complex in South Westminster. It is anticipated that the multi-year budget requirement for this project will be \$52.0 million.

3.3.1.3 Museum Expansion

The phase 2 expansion will complete the Surrey Museum and add to the Learning and Discovery Campus. Design began in 2016 and construction will begin in 2017 through to Fall 2018. Included in this expansion will be a 2,500 sf Feature Gallery for regional, national and international exhibitions, a program room for public programs, a large foyer for community events, an expanded collections storage, an exhibition construction workshop and new volunteer space. In addition, the Kids Gallery will be expanded from 800 sf to 2,000 sf to create dynamic interactive programs for young families in Surrey. The final phase of the project is anticipated to cost \$10.0 million.

3.3.1.4 Cloverdale Twin Ice Surface

Due to additional demand for ice sports, there is a need for a new twin sheet arena in the Cloverdale area. The new arena complex will be designed to be efficient and welcoming as it serves the community and the region for ice hockey, figure skating, public lessons & skating sessions as well as dry floor summer use. It is expected that this multi-year project will cost \$35.0 million to complete.

3.3.1.5 RCMP Space Renovations at OCH

The former City Hall is being upgraded to accommodate up to 574 (Members) in an RCMP Detachment expansion. Staff will occupy the south tower and the main floor of the west wing. Interior renovations, system updates and improvements to the parking compound comprise the bulk of the expansion, which will be completed in early 2017. Phase two of this project, renovations to Surrey RCMP Main Detachment, will begin immediately following occupation of Former City Hall and is expected to be completed by the end of 2017. Both phases are expected to cost a total of \$13.9 million.

3.3.1.6 Artificial Turf

This funding will construct an additional artificial turf field at the Cloverdale Athletic Park. The total project cost is \$2.0 million and there will be no additional operating costs associated with this project as costs are recovered through user fees for the artificial turf fields. This is an on-going program that is intended to deliver an additional artificial turf field every other year.

3.3.1.7 Newton Urban Park

This project will create a central urban park for the Newton Town Centre including festival and public event spaces. It will encourage and develop place-making opportunities through public art and urban design elements. The multi-year budget for this project is \$3.0 million.

3.3.1.8 Recreation Equipment Needs

PA & cleaning equipment is needed for the pool at Surrey Sport and Leisure Complex in addition to the need for a diving board at North Surrey pool and dehumidifiers for Newton. Preschool programs across the City continue with their equipment upgrading,

along with improvements to facility entrances to ensure a welcoming and consistent experience for our customers. Improvements also need to be completed for the theatre and gallery lighting at the Surrey Arts Centre and to continue with enhancements to the theatre equipment.

3.3.1.9 Performing Arts Centre

To further complement the existing Surrey Arts Centre's 400 seat theatre and City Hall's Centre Stage 200 seat theatre, a new performing arts space is planned in the City. Given the City's growth and large geographic, there is demand for an additional performing arts space. This budget will support critical land acquisition. This is a multi-year project that is estimated to cost \$10.8 million.

3.3.1.10 Glades Parking

The City has acquired the 5 acre property to the south of The Glades Park. An update to the park's master plan is underway, which includes parking areas, washroom buildings and a large scale entrance to the park. These improvements will move park access away from the life estate area, thereby facilitating more public openings and will virtually eliminate roadside parking on the busy 172nd Street park frontage.

3.3.1.11 Vehicle for Illegal Dumping

In 2015 the Solid Waste section initiated a goal to reduce illegal dumping and its associated costs by 50% over the next 5 years. The initial phase of the program involved a review of existing illegal dumping clean-up operations and piloting alternative approaches to determine the most effective approach to carrying out this work. The pilot phase was initiated in the fall of 2015. This phase of the project resulted in the successful reduction in the number of staff required to carry out this service, while at the same time significantly increasing the efficiency of the operation by leveraging alternative equipment, including a commercial rear-load garbage truck. During this pilot, the equipment needed to deliver this program was rented. Based on the success of the program, the Solid Waste Section will be purchasing the necessary equipment to continue with this initiative.

3.3.1.12 Multi-Purpose Outdoor Sport Box

This project is required to extend the playing season for ball hockey and lacrosse, and to reduce the pressure for dry floor space in existing arenas. The locations are to be determined.

3.3.1.13 Newton Athletic Park Master Plan

Enhancements to the Newton Athletic Park have been on-going. In 2016, design and construction of an expansion to the existing community room is underway. Schematic design for a renovation to the existing fieldhouse and a new cricket field house with public washrooms and community space were undertaken.

3.3.1.14 Interurban Storage Barn

An addition to the Interurban Railway storage barn is required to accommodate the Translink donation of BCER Car 1231 to the Fraser Valley Heritage Railway Society. Support for this project will be part of the City's Canada 150 Heritage program.

3.3.1.15 Cloverdale Athletic Park Fieldhouse

Surrey United will be contributing towards the construction of a fieldhouse and additional parking. They have required grants from other levels of government to complete these projects. This project will only proceed if all funding is provided by other parties.

3.3.1.16 South Surrey Art Gallery and Café

The Surrey Cultural Plan recommends the development of additional gallery space in the City. An artist-run contemporary gallery and café is proposed for the South Surrey area. The Gallery will provide exhibition space, collaborative area and a café to foster the development of the arts community and build community engagement related to the arts. The space may be integrated into a mixed use development.

3.3.1.17 Community Safety Centre

The Community Safety Centre (CSC) will be an integrated service centre through which public safety partners could deliver programming that contributes to public safety outcomes. Activities delivered through the CSC might include hosted community dialogues and consultations on public safety, educational programs for children and youth, and social development programs. This funding will help to identify funding partners and the program design.

3.3.1.18 Vehicle for Cart Delivery

In 2013 the Solid Waste Section established an in-house cart maintenance and management program. Since the program was initiated, the City has experienced a 10% increase in service requests. A 3-Tonne truck was rented on a month to month basis at a cost of \$28,000 annually to address the additional demand. It was determined that purchasing a 3-tonne truck amortized over a 7 year period would result in greater costs savings compared to the ongoing cost to rent the same unit.

3.3.2 Self-Funded Capital

SELF-FUNDED CAPITAL PROJECTS	2017	2018	2019	2020	2021
District Energy System	13,037	8,287	3,507	4,193	4,084
Biodiversity Conservation Program	3,200	3,875	4,200	4,284	4,678
CNG Station - Main Works Yard	2,500	-	-	-	-
Training Centre Expansion - Hall 9	2,500	-	-	-	-
Artificial Turf Replacement	1,200	-	-	-	-
Fleetwood Athletic Park	-	250	2,000	-	-
Grandview Heights Community Park	-	-	250	2,000	2,000
Unwin Community Park	-	-	-	-	2,000
	\$ 22,437	\$ 96,592	\$ 43,519	\$ 21,477	\$ 18,762

3.3.2.1 District Energy System

Construction of the permanent natural gas peaking plant at the future West Village Park at 103 Avenue and 133 Street will commence in 2017. This plant will be completed in 2018 at which time the temporary natural gas boilers that are currently located on the site will be relocated to serve new customers in locations where the distribution system is not yet available. Construction of the next phase of the distribution piping system required to connect 4 new customer buildings in the Surrey Central area in 2017

and 2018, will also commence in 2017. This project includes the connection of the 3 Civic Plaza, Evolve, Prime on the Plaza and SFU developments as well as integrating the District Energy system with the City Hall geoexchange heating plant to make use of its excess capacity.

District Energy infrastructure costs are fully recovered from future customers through their rate structure.

3.3.2.2 Biodiversity Conservation Program

In July 2014, Council adopted the Biodiversity Conservation Strategy, a program designed to preserve, protect and enhance Surrey's biodiversity in the long term, through identifying current biodiversity resources, establishing management criteria for our green infrastructure and urban ecosystems, recommending policy and procedures to support the initiatives in the plan and to provide long term monitoring. A major component of the City's management plans includes the acquisition of land. This proposed modest funding is a placeholder in anticipation of a future developer contribution being introduced in addition to other funding options to support the Strategy.

3.3.2.3 CNG Station - Main Works Yard

Upgrade to the current CNG station to better service the growing fleet of CNG vehicles. The new station will allow the City to continue with the program of replacing gas and diesel fuelled vehicles with vehicles capable of running on CNG, and RNG once the Biogas facility is operational. The use of CNG/RNG vehicles will continue to reduce our carbon foot print projecting us close to our goal of eliminating our corporate carbon footprint. The new station will provide the City with fuelling capacity to convert our heavy vehicles to run on CNG/RNG or a blended mix of diesel and CNG/RNG.

3.3.2.4 Training Centre Expansion - Hall 9

This project has been awarded with preconstruction work underway with the vendor. Ground breaking is scheduled for April 2017 with a completion date expected to be May 2018. When completed, the project will expand and reconfigure the Central Training Facility to allow for increased training services for all City Departments with added classrooms for lecture environments. The reconfiguration of the site will also improve traffic safety access to the site, and provide onsite parking that allows for unencumbered live public safety training exercises to run in conjunction with a revenue-based client schedule. The site design will provide for long term cost efficient training opportunities. Considerations in the future for potential in house and client based revenue generated programs also exist. The total budget for this multi-year project is \$6.0 million.

3.3.2.5 Artificial Turf Replacement

Artificial turf fields accommodate approximately six times more games per year at a comparable cost to grass and help to reduce field closures due to weather conditions. The artificial field at Cloverdale Athletic Park (installed in 2004) and the artificial field at Tamanawis Park (installed in 2006) have degraded to a point that replacement is necessary. Efficiencies can be realized if these fields are replaced in 2017, in conjunction with other projects that are taking place in these parks. These projects will be funded from the Artificial Turf Replacement Reserve that has been established from the net operating surpluses from field management.

3.4 Proposed 2017 Capital Program for Roads, Sewer, Drainage and Water

The table in the previous section addresses the capital projects that are funded from general revenue. Capital funding is also available from Development Cost Charges, the GVTA (TransLink) and sundry developer contributions. The total funding amounts available in 2017 for all Engineering and Parks-related capital infrastructure projects are listed below:

Arterial	\$ 96.5M
Local/Collector Roads	10.4M
Drainage	15.3M
Sewer	17.8M
Water	17.7M
Parks Acquisition & Development	<u>33.4M</u>
Total	<u>\$ 191.1M</u>

As in previous years, a detailed list of the Engineering and Parks-related capital projects to be completed in 2017 will be provided to Council for their consideration, in the next few months. These capital infrastructure projects will be in line with the 10-Year Servicing Plan. An overview of the entire Capital Program is attached as Appendix “II” to this report.

SUMMARY

To allow the completion of the 2017 Five Year (2017–2021) Capital Financial Plan, it is recommended that the Finance Committee recommend that Council:

- a) Direct staff on their preferred tax increase as discussed in Section 3.1 of this report;
- b) Approve the capital projects as outlined in Section 3.0 of this report, and
- c) Direct Staff to prepare the 2017 Five Year (2017–2021) Capital Financial Plan incorporating these projects.

Vivienne Wilke, CPA, CGA
General Manager,
Finance & Technology

Vincent Lalonde, P. Eng
City Manager

Attachments:

Appendix “I”: 2016 Five Year (2016–2020) Capital Financial Plan

Appendix “II”: 2017–2021 Capital Financial Plan

2016 FIVE YEAR (2016-2020) CAPITAL FINANCIAL PLAN
(000's)

EXPENDITURE SUMMARY	2016	2017	2018	2019	2020
North Surrey Arena Replacement (Total \$45.0 M)	25,500	19,250	-	-	-
District Energy System	13,933	10,472	9,551	4,026	3,244
South Surrey Operations Centre	13,000	-	-	-	-
Clayton Recreation & Culture Facility (Total \$39.7 M)	10,000	10,000	9,750	10,000	-
RCMP Space Renovations at OCH (Total \$9.5 M)	4,340	3,260	1,900	-	-
Training Centre Expansion - Hall 9	3,500	2,500	-	-	-
Newton Athletic Park Master Plan	1,150	250	250	250	-
Newton Urban Park	1,000	2,000	2,000	-	-
Cloverdale Twin Ice Surface (Total \$35.0 M)	750	5,250	29,000	-	-
Museum Expansion	500	5,500	4,000	-	-
Biodiversity Conservation Program	500	3,150	3,775	4,050	4,334
RCMP Front Counter Enhancements	391	-	-	-	-
Recreation Equipment Needs	362	140	80	-	-
Cultural Corridor	300	-	-	-	-
Performing Arts Centre	250	500	10,000	-	-
Artificial Turf Fields	200	1,800	200	1,800	-
RCMP District Office Relocation	200	200	490	1,510	1,000
City Centre Art Space	100	-	-	-	-
RCMP Cell and Exhibit Enhancement	-	-	1,000	2,500	3,500
YMCA Partnership	-	-	-	20,000	-
South Surrey Art Gallery and Café	-	-	-	3,000	-
Fleetwood Multi-Purpose Space	-	-	-	-	1,350
RCMP North Detachment	-	-	-	-	1,000
	\$ 75,976	\$ 64,272	\$ 71,996	\$ 47,136	\$ 14,428

**2017 - 2021 FINANCIAL PLAN
EXECUTIVE SUMMARY**
(in thousands)

CONTRIBUTION SUMMARY	2017	2018	2019	2020	2021
Non-Discretionary Contributions					
DCC Reserve Funds	\$ 95,073	\$ 104,627	\$ 145,781	\$ 166,420	\$ 178,532
NCP Reserve Funds	4,645	2,510	4,437	3,700	5,700
Other Statutory Reserve Funds	3,285	3,285	3,285	3,285	3,285
	<u>103,003</u>	<u>110,422</u>	<u>153,503</u>	<u>173,405</u>	<u>187,517</u>
Discretionary Contributions					
Operating Appropriated Surplus	2,000	3,850	2,150	2,675	2,200
Contribution from Operating	74,136	71,984	85,393	88,855	91,735
Other Statutory Reserve Funds	17,492	12,195	9,562	15,899	10,310
	<u>93,628</u>	<u>88,029</u>	<u>97,105</u>	<u>107,429</u>	<u>104,245</u>
Other Contributions					
External Sources	45,151	44,634	44,882	45,039	45,238
Borrowing Proceeds	35,772	75,586	24,161	2,887	2,764
Capital Contingency	-	-	-	-	-
	<u>80,923</u>	<u>120,220</u>	<u>69,043</u>	<u>47,926</u>	<u>48,002</u>
Unspecified - Budget Authority	50,000	50,000	50,000	50,000	50,000
Total Current Year's Contributions	327,554	368,671	369,651	378,760	389,764
Carry Fwd from Previous Years	98,266	110,601	110,895	113,628	116,929
	<u>\$ 425,820</u>	<u>\$ 479,272</u>	<u>\$ 480,546</u>	<u>\$ 492,388</u>	<u>\$ 506,693</u>
EXPENDITURE SUMMARY					
Statutory & Asset Maintenance					
Property Acquisition	\$ 28,625	\$ 28,350	\$ 30,641	\$ 54,585	\$ 74,206
Buildings	4,833	3,131	2,581	2,686	2,350
Engineering Structures	162,968	173,618	228,563	228,828	228,501
Equipment	18,847	16,980	14,347	21,184	16,095
	<u>215,273</u>	<u>222,079</u>	<u>276,132</u>	<u>307,283</u>	<u>321,152</u>
Ranked Projects					
Buildings	37,860	76,000	30,882	10,000	-
Engineering Structures	23,237	20,487	12,557	11,477	13,762
Equipment	1,184	105	80	-	-
	<u>62,281</u>	<u>96,592</u>	<u>43,519</u>	<u>21,477</u>	<u>13,762</u>
Unranked Projects	-	-	-	-	4,850
Unidentified - Budget Authority	50,000	50,000	50,000	50,000	50,000
Total Current Year's Expenditures	327,554	368,671	369,651	378,760	389,764
Carry Fwd from Previous Years	98,266	110,601	110,895	113,628	116,929
	<u>\$ 425,820</u>	<u>\$ 479,272</u>	<u>\$ 480,546</u>	<u>\$ 492,388</u>	<u>\$ 506,693</u>

2017 - 2021 FINANCIAL PLAN CONTRIBUTION (FUNDING) SUMMARY

(In thousands)

CONTRIBUTION SUMMARY	2017	2018	2019	2020	2021
Non-Discretionary Contributions					
DCC Reserve Funds					
Arterial Roads	\$ 19,071	\$ 23,820	\$ 44,964	\$ 44,964	\$ 44,964
Major Collector Roads	3,770	4,972	6,853	6,853	6,853
Local Roads	408	488	1,254	1,254	1,254
Park Lands	24,062	23,702	25,902	45,500	57,500
Parkland Development	904	1,259	1,459	2,500	2,500
Drainage	2,021	5,377	12,924	12,924	12,924
Sewer	5,367	5,161	9,972	9,972	9,972
Water	3,641	4,018	6,623	6,623	6,623
Anniedale Tynehead	18,848	18,848	18,848	18,848	18,910
Campbell Heights	12,657	12,658	12,658	12,658	12,707
Hwy 99 Corridor	4,324	4,324	4,324	4,324	4,325
Biodiversity	-	-	-	-	-
	<u>95,073</u>	<u>104,627</u>	<u>145,781</u>	<u>166,420</u>	<u>178,532</u>
NCP Reserve Funds					
Fire	2,600	100	100	100	100
Police	300	560	367	-	-
Library Services	100	100	100	100	100
Recreation Services	1,645	1,750	3,870	3,500	5,500
	<u>4,645</u>	<u>2,510</u>	<u>4,437</u>	<u>3,700</u>	<u>5,700</u>
Other Statutory Reserve Funds					
Cash In Lieu of Parkland	3,045	3,045	3,045	3,045	3,045
Environmental Stewardship	240	240	240	240	240
	<u>3,285</u>	<u>3,285</u>	<u>3,285</u>	<u>3,285</u>	<u>3,285</u>
	103,003	110,422	153,503	173,405	187,517
Discretionary Contribution					
Operating Appropriated Surplus					
Other Appropriations	1,300	3,150	1,450	1,975	1,500
Utility Rate Stabilization Reserve	700	700	700	700	700
	<u>2,000</u>	<u>3,850</u>	<u>2,150</u>	<u>2,675</u>	<u>2,200</u>
Contributions from Operating					
General	7,400	9,800	12,400	15,200	18,200
Gaming	3,800	3,800	3,800	3,800	3,800
SCDC	4,500	4,500	4,500	4,500	4,500
Drainage	12,031	12,561	14,899	15,071	15,254
Roads	16,161	16,148	25,563	25,190	24,795
Energy	13,037	8,287	3,507	4,193	4,084
Sewer	5,852	5,847	6,374	6,392	6,424
Solid Waste	2,455	2,085	2,218	2,359	2,510
Water	8,900	8,956	12,132	12,150	12,168
	<u>74,136</u>	<u>71,984</u>	<u>85,393</u>	<u>88,855</u>	<u>91,735</u>
Other Statutory Reserve Funds					
Cranley Drive Revolving	15	15	15	15	15
Building Reserve	250	-	-	-	-
Vehicles & Equipment	17,227	12,180	9,547	15,884	10,295
	<u>17,492</u>	<u>12,195</u>	<u>9,562</u>	<u>15,899</u>	<u>10,310</u>
	93,628	88,029	97,105	107,429	104,245
Other Contributions					
External Sources					
Federal/Provincial Contribution	28,206	27,095	27,095	27,095	26,929
Private Contributions	3,449	4,043	4,291	4,448	4,813
GVTA	13,496	13,496	13,496	13,496	13,496
	<u>45,151</u>	<u>44,634</u>	<u>44,882</u>	<u>45,039</u>	<u>45,238</u>
Borrowing Proceeds					
External Borrowing	-	-	-	-	-
Internal Borrowing	33,960	73,750	22,300	1,000	850
Local Improvement	1,812	1,836	1,861	1,887	1,914
	<u>35,772</u>	<u>75,586</u>	<u>24,161</u>	<u>2,887</u>	<u>2,764</u>
	80,923	120,220	69,043	47,926	48,002
Unspecified - Budget Authority only (not funded)					
	50,000	50,000	50,000	50,000	50,000
	<u>\$327,554</u>	<u>\$368,671</u>	<u>\$369,651</u>	<u>\$378,760</u>	<u>\$389,764</u>

**2017 - 2021 FINANCIAL PLAN
EXPENDITURE SUMMARY**

(In thousands)

EXPENDITURE SUMMARY	2017	2018	2019	2020	2021
Statutory & Asset Maintenance					
Land Acquisition					
General Corporate	\$ 515	\$ 615	\$ 615	\$ 4,144	\$ 11,265
Parks, Recreation & Culture	28,110	27,735	30,026	50,441	62,941
	<u>28,625</u>	<u>28,350</u>	<u>30,641</u>	<u>54,585</u>	<u>74,206</u>
Buildings					
General Corporate	4,333	2,631	2,081	2,186	1,850
Parks, Recreation & Culture	500	500	500	500	500
	<u>4,833</u>	<u>3,131</u>	<u>2,581</u>	<u>2,686</u>	<u>2,350</u>
Engineering Structures					
General Corporate	-	-	-	-	-
Drainage Services	15,298	19,027	28,750	28,750	28,750
Roads & Transportation	106,853	113,204	146,762	146,762	146,763
Parks, Recreation & Culture	5,281	5,661	6,240	6,505	6,054
Sewer Services	17,831	17,603	22,923	22,923	23,046
Water Services	17,705	18,123	23,888	23,888	23,888
	<u>162,968</u>	<u>173,618</u>	<u>228,563</u>	<u>228,828</u>	<u>228,501</u>
Equipment					
General Corporate	14,330	12,897	12,997	13,647	14,147
Drainage Services	200	200	200	200	200
Parks, Recreation & Culture	425	425	425	425	425
Protective Services	3,392	2,958	225	6,412	823
Sewer Services	200	200	200	200	200
Water Services	300	300	300	300	300
	<u>18,847</u>	<u>16,980</u>	<u>14,347</u>	<u>21,184</u>	<u>16,095</u>
	215,273	222,079	276,132	307,283	321,152
Ranked Projects					
Buildings					
Clayton Recreation & Culture Facility	10,000	9,750	12,000	-	-
Cloverdale Twin Ice Surface	5,250	29,000	-	-	-
Cultural Corridor	-	500	1,232	-	-
Museum Expansion	5,500	4,000	-	-	-
North Surrey Arena Replacement	9,250	16,500	-	-	-
Performing Arts Centre	500	10,000	-	-	-
South Surrey Art Gallery & Café	100	250	2,650	-	-
YMCA Partnership	-	-	10,000	10,000	-
Community Safety Centre	100	-	-	-	-
RCMP Cell and Exhibit Enhancement	-	3,000	5,000	-	-
RCMP District Office Relocation	-	3,000	-	-	-
RCMP Space Renovations at OCH	4,660	-	-	-	-
Training Centre Expansion - Hall 9	2,500	-	-	-	-
	<u>37,860</u>	<u>76,000</u>	<u>30,882</u>	<u>10,000</u>	<u>-</u>
Engineering Structures					
Artificial Turf Fields	2,200	1,000	1,000	1,000	1,000
Cloverdale Athletic Park Fieldhouse	100	2,275	-	-	-
Fleetwood Athletic Park	-	250	2,000	-	-
Glades Parking	500	1,000	-	-	-
Grandview Heights Community Park	-	-	250	2,000	2,000
Multi-Purpose Outdoor Sport Box	300	-	-	-	-
Newton Athletic Park Master Plan	250	1,000	1,600	-	-
Newton Urban Park	1,000	1,000	-	-	-
Parking - Grandview Pool	-	1,800	-	-	-
Unwin Community Parks	-	-	-	-	2,000
CNG Station - Main Works Yard	2,500	-	-	-	-
District Energy System	13,037	8,287	3,507	4,193	4,084
Biodiversity Conservation Program	3,200	3,875	4,200	4,284	4,678
Interurban Storage Barn	150	-	-	-	-
	<u>23,237</u>	<u>20,487</u>	<u>12,557</u>	<u>11,477</u>	<u>13,762</u>
Equipment					
PRC Fixtures & Equipment	689	105	80	-	-
Vehicle for Cart Delivery	90	-	-	-	-
Vehicles for Illegal Dumping Program	405	-	-	-	-
	<u>1,184</u>	<u>105</u>	<u>80</u>	<u>-</u>	<u>-</u>
	62,281	96,592	43,519	21,477	13,762
Contingency	-	-	-	-	4,850
Unidentified - Budget Authority only (not funded)	50,000	50,000	50,000	50,000	50,000
	<u>\$327,554</u>	<u>\$368,671</u>	<u>\$369,651</u>	<u>\$378,760</u>	<u>\$389,764</u>