

## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **October 29, 2024**

FROM: **General Manager, Finance**

FILE: **1880-20**

SUBJECT: **Quarterly Financial Report - Third Quarter – 2024**

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## RECOMMENDATION

The Finance Department recommends that Council receive this report for information.

## INTENT

The purpose of this report is to provide Council with an update on the City's financial activity for the first three quarters of 2024 and to compare this activity relative to the 2024 Financial Plan.

## DISCUSSION

The following discussion provides a summary of the current economic environment including key economic factors globally, nationally, provincially, and within the City, followed by an outline of Surrey's financial performance through the first three quarters of 2024, in comparison to the adopted Five-Year (2024-2028) Financial Plan.

### **Economic Environment and Key Economic Factors**

#### International Overview

Central banks around the world have initiated the process to bring down their benchmark interest rates as the pace of inflation recedes. In the beginning of the year, central banks exercised caution by trimming interest rates in small increments and indicated that interest rate cuts will be paused if inflation heads in the wrong direction. Headline inflation has eased globally with growth in the Consumer Price Index ("CPI") dipping below some central banks' targeted rates, leading those institutions to pivot on their monetary policies. Many central banks are now forecasted to quicken the pace of interest rate cuts in the coming months.

The European Central Bank ("ECB") trimmed its benchmark rate by 0.25% to 3.25%, the third reduction in 2024 and the first back-to-back rate cut in 13 years. Eurozone headline inflation fell to 1.7% in September, the lowest level since April 2021, down 50 basis points from the previous month's reading. Core inflation, excluding volatile items like energy and food, came in at 2.7%, while services inflation remains elevated at 3.9%. Central bank policymakers expect inflation to rise in the coming

months, partly due to base effects related to reduced energy prices, before declining towards the ECB's 2.0% target next year. Economic activity in the Eurozone has slowed, with growth in Gross Domestic Product ("GDP") coming in at 0.2% in the second quarter of this year. Analysts predict that a fourth rate cut in December is likely unless economic or inflation data turns around in the coming weeks.

The Bank of England ("BOE") kept its key interest rate at 5.0% in September after initiating a cut in August. The United Kingdom's ("UK") inflation came in at 2.2% in August, with service inflation remaining elevated at 5.6%. Over the last year, wages in the UK have risen at a faster pace than the rate of inflation. The central bank cites concerns over lingering inflation as a reason for pausing further rate cuts. Analysts are forecasting that the central bank will cut their key interest rate by 0.25% during their next meeting in November.

Geopolitical risk remains structurally elevated. The world is entering the third geopolitical era after the Cold War and post-Cold War eras and is seeking a new equilibrium. Competition is ongoing, with a significant risk of conflict. Analysts identify the following geopolitical themes as significant for financial markets; deeper fragmentation between competing geopolitical and economic blocs; a more volatile and less predictable world order and an acceleration of supply chains rewiring. 2024 has been the biggest election year in history, with countries representing over half the global population voting. The United States ("US") election is in focus and will be a major geopolitical event.

Risks remain that the war in Ukraine becomes protracted, raising the risk of escalation beyond the country's borders. For now, the conflict is likely to remain a continued war of attrition and battle between the two sides' industrial bases, while the risk of escalation and direct conflict between Russia and North Atlantic Treaty Organization ("NATO") members remains.

Tensions between Israel and Iran's Resistance Front allies continue to rise, with Israel's northern border with Lebanon the current flashpoint. Israel and Hezbollah's near-daily rocket exchanges have displaced people on both sides of the border, and a series of actions in September have significantly escalated the situation. Both sides have talked of a "new phase" in the fighting, and the risk of full-blown conflict is significant. In Gaza, a ceasefire agreement for an exchange of hostages continues to be out of reach as the war between Israel and Hamas surpasses its one-year anniversary.

### United States Overview

The US Federal Reserve ("Fed") reduced its benchmark rate by 0.5% in September, the first interest rate cut since March 2020. The Fed cited confidence that inflation is moving in the right direction and concerns that the labour market is softening as reasons for the oversized interest rate cut. The central bank noted that job gains have slowed with the unemployment rate moving up. On an overall basis, the unemployment rate remains at a low level. Fed policy makers are forecasting the jobless rate to reach 4.4% this year.

The Fed has released its new interest rate projections, known as the "dot plot," which maps out how the central bank foresees future interest rate movements. The dot plot indicates that the central bank will likely implement additional interest rate cuts of 0.5% by the end of this year, a 1.0% reduction in 2025 and another 0.5% decrease in 2026. The Fed Chair has indicated future rate cuts will be data dependent. The movements of the US Fed are followed widely as actions of the American central bank reverberate throughout the global economy.

The US inflation rate dropped to 2.4% in September, the lowest reading in three years. The core inflation measurement, which excludes volatile items, remains elevated at 3.3%. The US labour market posted strong gains in September with 254,000 jobs added, causing the unemployment rate to fall to 4.1%. US wage growth came in at 4.0% on year-over-year basis. Prior to this jobs report, there were concerns that the labour market had deteriorated. The improved job creation numbers have eased the pressure on the Fed to provide another oversized 50 basis point interest rate cut. Analysts predict that the Fed will likely trim interest rates by 0.25% in each of the next two meetings this year.

Americans will head to the polls in November to cast their vote for the next US president. Once the election outcome is known, there will be greater clarity on the future of US trade and energy policies. If the vote results in a Harris presidency, it would likely mean continuity of current US trajectory and limited market volatility due to a lesser degree of changes in government policies. If the American people return Donald Trump to the office of US president, there may be heightened market volatility as investors reassess changes to various policies due to the change in administration.

### Canadian Overview

The Bank of Canada (“BOC”) trimmed its benchmark interest rate by 0.50% in October, the fourth consecutive reduction this year, bringing its key policy rate to 3.75%, the lowest point since December 2022. The central bank has signalled that further interest rate cuts are appropriate due to easing inflation, slowing economy activity and increased unemployment.

The BOC has pivoted from its earlier position, a slow and gradual pace of interest rate cuts to avoid stoking inflation, to now being concerned with the weakening economy and inflation falling below targeted levels. Further “supersized” rate cuts may be contemplated by the BOC, although the central bank’s leadership has stressed a data dependant approach to future monetary policy decisions. The central bank’s benchmark rate is still restrictive to the economy. Some economists are forecasting that the BOC will trim its key interest rate by 0.50% once again in December, before easing to smaller cuts of 0.25% at subsequent interest rate announcement dates next year.

Canada’s unemployment rate unexpectedly fell as job gains exceeded economists’ expectations. The economy added 46,700 jobs in September and the jobless rate edged down to 6.5%. Average hourly wage growth slowed down to 4.5% from the previous reading of 4.9%. Economists had expected 27,000 jobs added and an unemployment rate of 6.7% for September.

Canada’s inflation rate dipped to 1.6% in September, marking the second month where inflation is at or below the central bank’s 2.0% target. The reduced inflation rate was driven by a 10.7% decrease in gas prices. Excluding gasoline, inflation came in at 2.2%. Although headline inflation dropped, housing prices still increased faster than the rate of CPI growth. Rent prices rose by 8.2% and mortgage costs were up 16.7% in September. Although the September job numbers were strong, the central bank trimmed its key interest rate by 0.50% in October due to inflation decelerating more than anticipated. The BOC is concerned when inflation undershoots its targeted range as disinflation is a signal of a larger economic slowdown.

The Federal government introduced changes to mortgage rules which will come into effect this December. The government is raising the Canada Housing and Mortgage Corporation (“CMHC”) cap for insured mortgages from the current limit of \$1.0 million to \$1.5 million. The adjustment is

being introduced to improve accessibility to the housing market. Increasing the cap on insured mortgages will open single-family home markets to more buyers as dwellings in these markets often exceed \$1 million. Another major reform is the extension of 30-year amortization periods to all first-time homebuyers. This expansion builds on the government's announcement earlier this year to offer 30-year amortizations exclusively for new builds.

According to the Bank of Montreal, the extension of amortization periods from 25 to 30 years is estimated to increase purchasing power by 10% and is equivalent to a 0.9% mortgage rate cut. The new mortgage rules, aimed at increasing accessibility and borrowing power, may have unintended consequences. Increases in borrowing power may lead to more demand, which may ultimately drive-up home prices. The lowered monthly payment obligation resulting from extended amortizations may push buyers into purchasing a more expensive home and thus, carry additional debt and pay more interest over the lifetime of their mortgage.

### British Columbia Overview

British Columbia's ("BC") inflation came in at 2.0% in September, above the national average of 1.6% and the highest inflation rate amongst the provinces. Higher rents, increased by 7.3%, were offset by lower gas prices. BC had the third lowest unemployment rate in Canada, coming in at 6.0% in September. BC shed 18,000 jobs, with losses in the finance, real estate, accommodation and food sectors offset by job gains in education services and the tech sector.

BC's economy continues to underperform compared to other provinces. Retail sales have contracted over the first half of the year. The weakness in consumer spending is mainly due to large household debts and elevated housing costs weighing down on consumption.

The BC Housing market has not rebounded despite recent interest rate cuts by the BOC. According to the Greater Vancouver REALTORS® association, home sales in September were down 3.8% compared to the same month last year. Home buyers have held off on home purchases as additional interest rate cuts are anticipated. As interest rates start to moderate, an uptick in home sales is expected. The recently announced changes to Canadian mortgage rules should also encourage housing demand through lower down payment requirements and extended mortgage amortization periods.

BC's Finance Minister reported that the provincial government is expecting a \$9 billion deficit this fiscal year. The Province reiterated that, although deficits are anticipated in the coming years, there are no plans to cut spending. The government has committed to staying on their current path of spending which has helped bolster near term economic growth.

On October 19<sup>th</sup> the Provincial General Election yielded uncertain results with the NDP leading or elected in 46 seats and the Conservatives acquiring 45 seats. The BC Greens were able to secure two seats. In the BC Legislature, 47 seats are required to form a majority government. The election came down to recounts, and absentee and special ballot counts which took place between October 26<sup>th</sup> and 28<sup>th</sup>. In the end, the NDP came away with a very thin majority of 47 seats, while the Conservatives finished the race with 44. Judicial recounts will take place in two ridings, Surrey-Guildford and Kelowna Centre, where the margin of victory is less than 1/500<sup>th</sup> of the total votes cast. If desired, political parties can apply to the Supreme Court of BC for judicial recounts in additional ridings within six days of the conclusion of the final count.

The close election results showed a divide in the province where Coastal BC and the Lower Mainland voted for the NDP, while Rural and Interior BC voted for the Conservative party. Political analysts

expect that the BC Conservatives will do what they can to potentially bring down the government, while Premier Eby works to ensure that all of his elected members are on hand for every vote in the legislature to protect their slim margin.

City of Surrey Overview

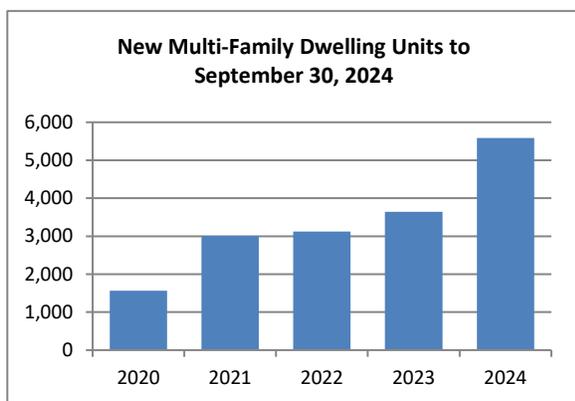
In the first four months of 2024, the City experienced a surge in the issuance of building permits due to the implementation of the new Metro Vancouver Water Development Cost Charge (“DCC”) which took effect in April 2023. On April 27, 2024, the one-year rate protection period for in-stream projects expired, resulting in developers advancing their project timelines to meet this deadline to mitigate the financial impact of the Metro Vancouver DCC rate change on their projects. This was a key driver of an overall increase in the volume of permits issued by the City in this nine-month period.

In the residential development category, multi-family development activity, in both low-rise and high-rise apartments, has remained strong in this nine-month period as compared to the same period in 2023, however, the City has seen a decrease in construction of new single-family related dwelling units in this time period. In the non-residential development category, as compared to last year, the City has seen an increase in the number of permits in the Industrial, Commercial & Institutional (“ICI”) development segment.

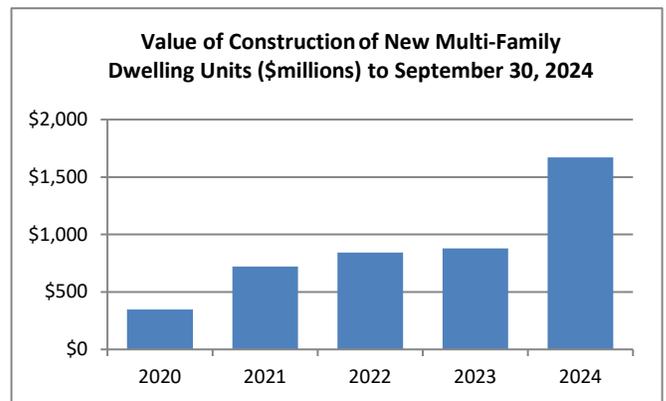
Overall, in the residential development category, the City has seen a 40% increase in the number of residential dwelling unit permits issued this year-to-date, as compared to 2023.

**City of Surrey’s Key Performance Indicators**

The following graphs show data for the first nine months of 2024 compared to the same time period in the previous four years.



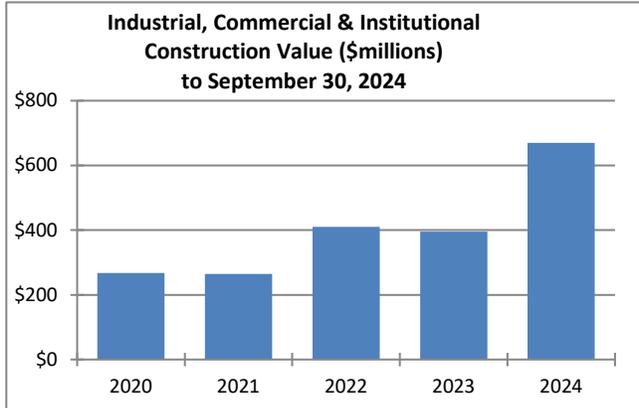
Graph 1



Graph 2

As discussed above, there has been an overall increase in development activity in multi-family residential projects in 2024. This nine-month period has seen an increase in permits for multi-family dwelling units by 53%.

Consistent with the increase in the number of permits for new multi-family dwelling units in this period as compared to the same period last year, the value of construction for these units has increased by 90% when compared to the same period last year.



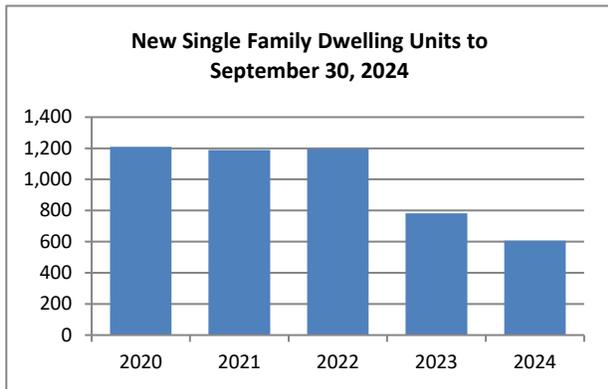
Graph 3



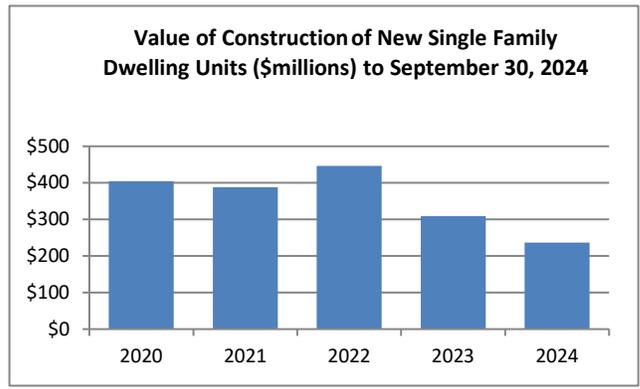
Graph 4

Construction value of ICI permits for the first nine months of 2024 is higher by 70% as compared to the same period in 2023. This is primarily due to some significant projects that received permits in this period in 2024, including two large industrial warehouse projects in Campbell Heights and a large mixed use commercial project in City Centre.

Due to an increase in the construction values associated with multi-family residential permits, along with increases in values of construction associated with ICI projects, total building construction value in the City year-to-date is higher by 63% compared to the same period last year.



Graph 5



Graph 6

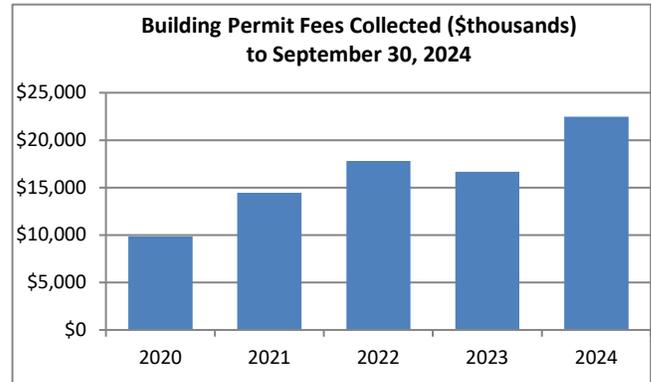
Due to a continued shift in residential development activity from single-family to multi-family, new single family dwelling units have declined by 22% in this nine-month period, as compared to the same period in 2024.

Due to a decline in the number of new single-family dwelling unit permits issued in this nine-month period as compared to the same period last year, the value of construction of these units has correspondingly decreased by 23% when compared to the same period last year.



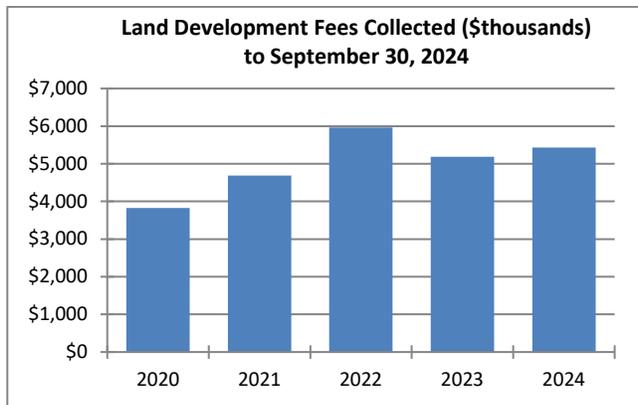
Graph 7

The City continues to see a steady demand for future development projects in Surrey, resulting in planning application fees collected in the first nine months of the year being 15% higher than those collected in the same period last year.



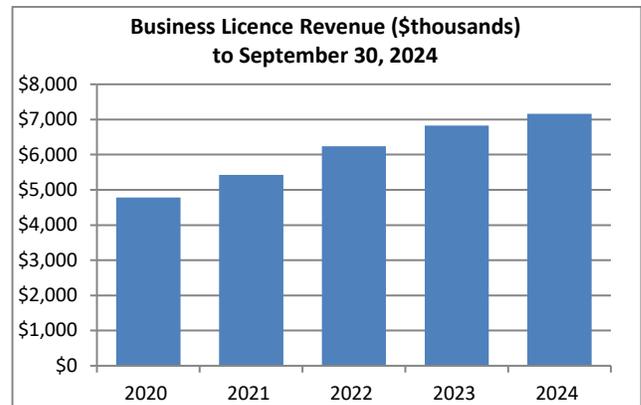
Graph 8

Since total building construction value in the City has significantly increased as compared to the same period last year (as reflected in Graph 4), building permit fees collected in this nine-month period as compared to the same period last year have increased by 35%.



Graph 9

In alignment with planning application fees, land development fees collected for the first nine months of 2024 are higher by 5% as compared to the same period in 2023.

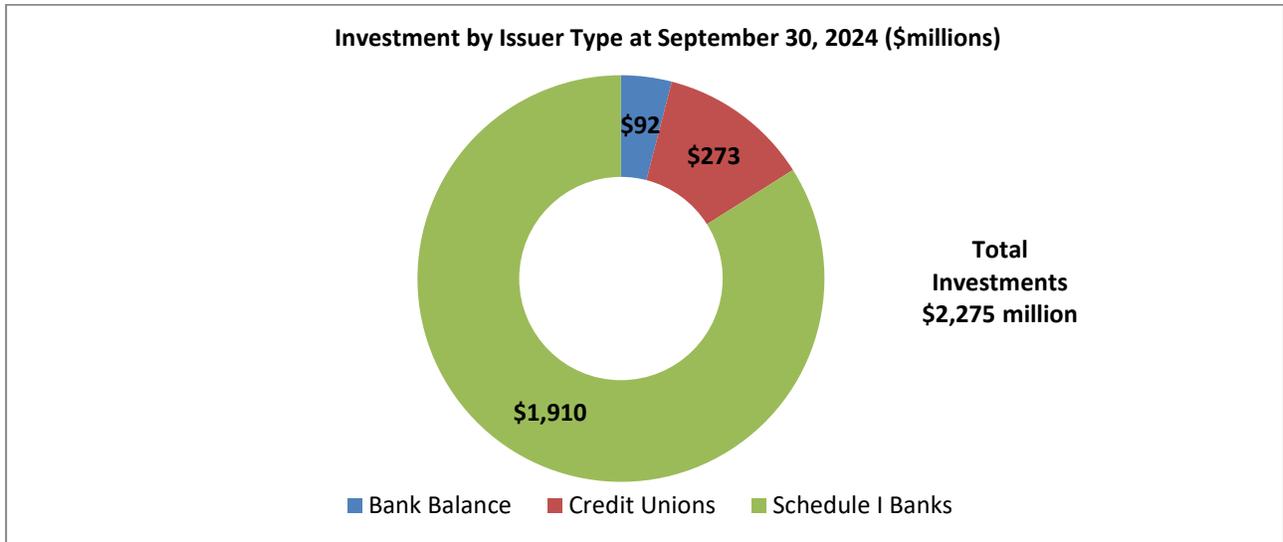


Graph 10

Consistent with increases over the last few years, business license revenue in the first nine months of 2024 increased by 5% as compared to the same period last year.

## City Investment Portfolio

The City invests public funds in a prudent manner, providing investment return and long-term security while meeting daily cash flow needs. The investment portfolio is currently valued at \$2,275 million. Most of these funds have either been committed to specific capital projects or are funds that have been invested until they are needed to pay current operating expenses. Graph 11 shows the City's Investment Portfolio by issuer type.



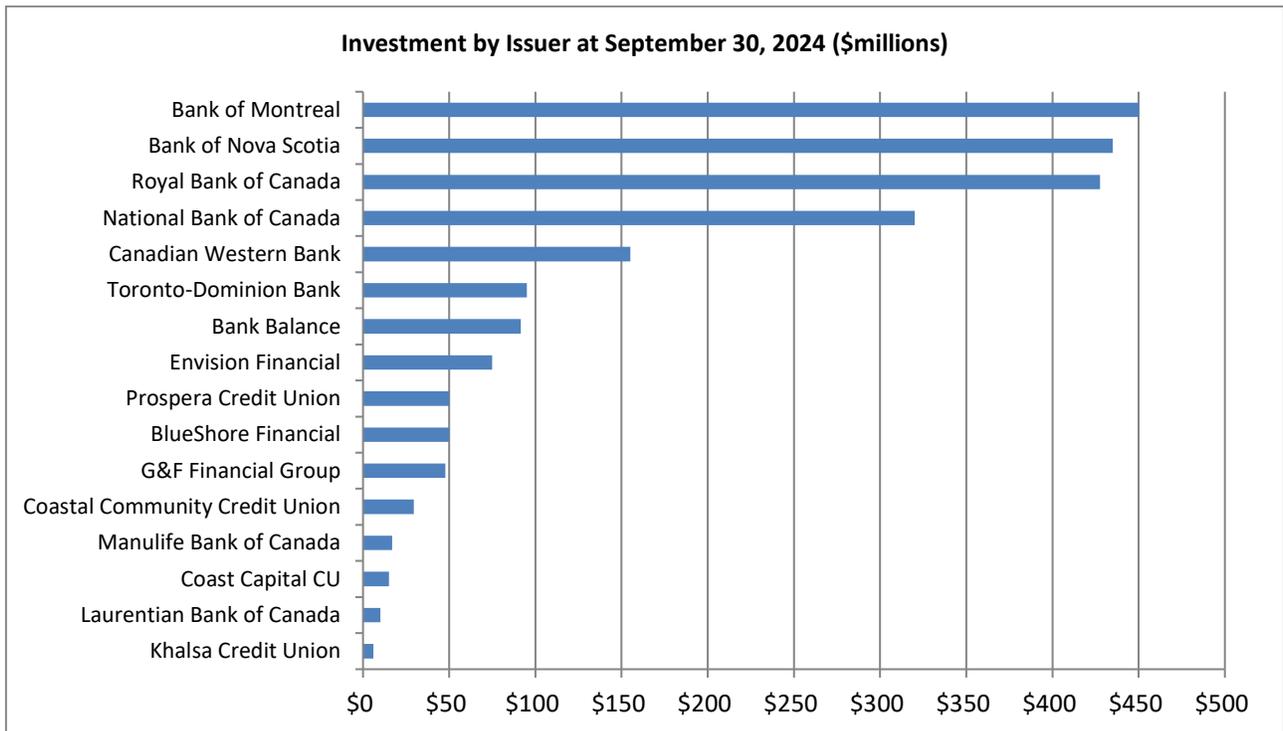
Graph 11

Investments within the portfolio are managed within the framework of the City’s Investment Policy.

Objectives of the Policy include the following:

Diversification

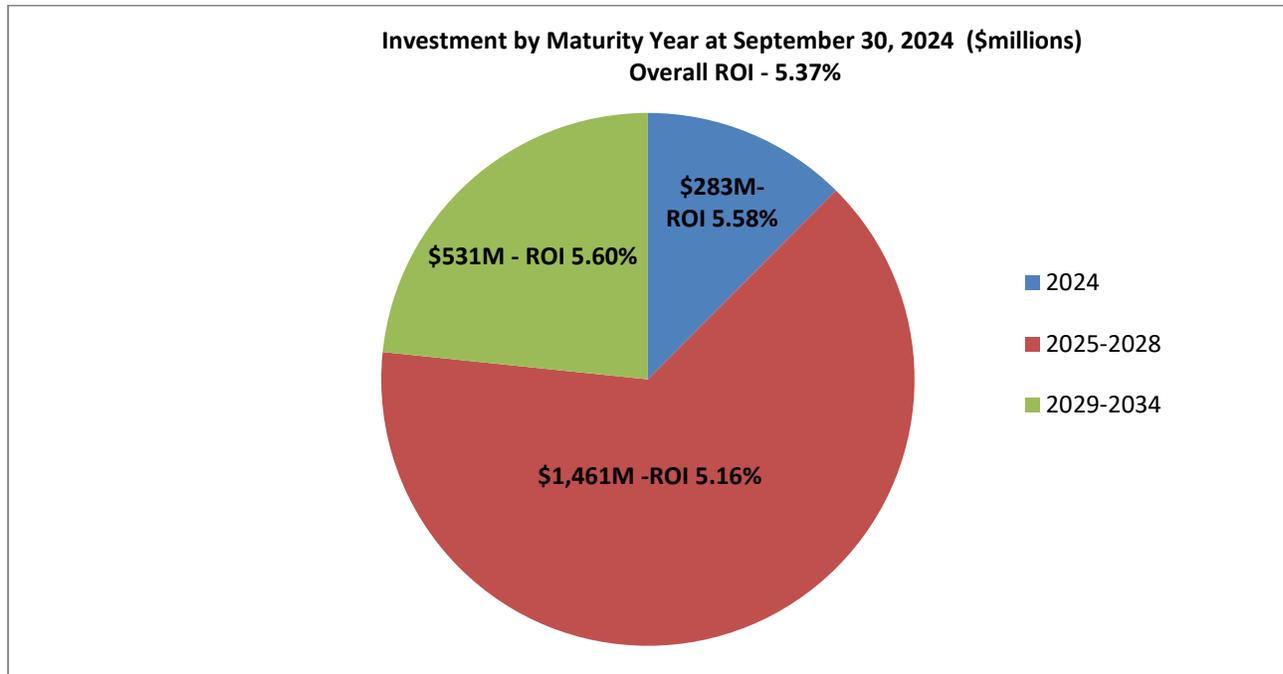
In order to reduce overall portfolio risk, the City diversifies its investment holdings across a range of security types and financial institutions. Graph 12 shows a listing of the City’s portfolio by Financial Institution.



Graph 12

## Liquidity

The City ensures that the investment portfolio remains sufficiently liquid in order to meet all reasonably anticipated operating and capital cash flow requirements. Maturities coincide with cash requirements, as much as reasonably possible. The investment portfolio is managed through the laddering of investment maturities to account for the timing of cashflow demands. The City's forecasted cash balances are currently in a healthy position with efforts ongoing to remain prepared as new information is incorporated into the cashflow forecast. In the event the City's cash flow requirements change drastically, we are well positioned to add liquidity as necessary. Graph 13 shows the portfolio by maturity terms.



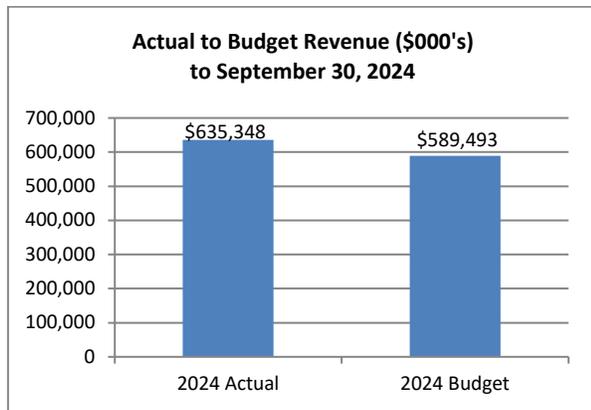
Graph 13

## Return on Investment

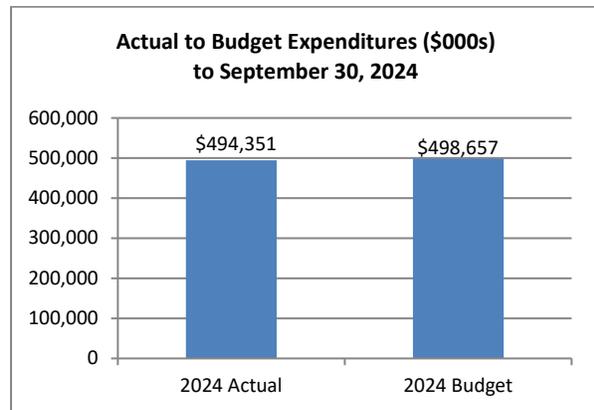
The City strives to earn a reasonable rate of return on the investment portfolio throughout varying budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. During the nine-month period ending September 30, 2024, the City's investment portfolio earned a combined rate of approximately 5.37% (during the nine-month period ending September 30, 2023 – 4.35%) while maintaining investment security as outlined in the City's investment policy.

## **Actual Revenues and Expenditures Relative to the Budget (Financial Plan)**

The following graphs illustrate the variances between the actual and the budgeted operating revenues and expenditures respectively, excluding transfers, for the first three quarters of 2024.



Graph 14



Graph 15

Appendix “I” documents the revenues and expenditures at the end of the third quarter of 2024 at a more detailed level. Departments are proactively monitoring their actual results on a monthly basis. The following section provides an explanation on a Department-by-Department basis of year-to-date variances in relation to the 2024 budget and as shown in Appendix “II”.

### Policing Services

The current adopted Police Services budget is based on the actual sworn member levels and operating cost requirements for both the RCMP and Surrey Police Board (“SPB”) at the end of 2023. A Police Services funding envelope of \$221.6 million was approved by Council to provide sufficient funding to ensure adequate and effective policing in Surrey.

On April 23, 2024, the Province announced a transition date of November 29, 2024, for Surrey Police Service (“SPS”) to become the Police of Jurisdiction (“POJ”). In July, the BC government and the City of Surrey reached an agreement that will complete the transition to the SPS by providing oversight, accountability and cost mitigation for residents and businesses in Surrey. Through the agreement, the Province will provide \$30 million per year to assist with transition costs until 2029. The agreement also provides a financial guarantee of as much as \$20 million per year if SPS salary costs are higher than estimated RCMP costs, from 2029 to 2034 for actual costs. This funding from the Province will help to lessen the financial impact of the transition on Surrey taxpayers.

In relation to the adopted quarter three budget for Policing Services, the following is the variance for each of the components:

- Police Services** currently has an unfavourable variance of \$3.81 million and is forecasted to have an unfavourable year end variance of \$16.68 million as compared to the Council approved funding envelope of \$221.6M. The unfavourable result for the first three quarters of 2024 is attributable to the timing of policing expenditures and a slow down in the demobilization of RCMP members to ensure prudent management of the upcoming POJ transition. After the end of the third quarter, staff were informed by RCMP E-Division that certain expenditures, resulting from ratification of the RCMP Collective Agreement, will be reflected in the final quarter of this year, resulting in a higher unfavourable variance at year end, as compared to quarter three. The forecasted overall unfavourable variance for the year also includes additional consideration for the ongoing impact of slowed RCMP demobilization. Until an overall Policing Transition Plan (“PTP”) is established, including a Transition Assistance agreement, elevated policing transition costs will continue. Once the PTP is agreed upon by all parties, the two police forces can continue with their

commensurate mobilization and demobilization, in accordance with the Plan. At this future stage, City staff will have further insight into the financial implications going forward resulting from the implementation of the Plan.

- ***City Police Support Service*** currently has a favourable variance of \$2.97 million, primarily due to revenues from Police Information Checks being higher than the budget. City Police Support Service is forecasted to have a \$3.88 million favourable variance at the end of this year.

Fire Department currently has a favourable variance of \$2.93 million, primarily due to higher-than-budgeted dispatch revenues resulting from higher than estimated client dispatch call volumes; and timing of the hiring of 20 approved new Fire personnel positions in 2024. Fire is currently forecasted to have a favourable variance at year end of \$1.58 million.

Engineering Services - General Operating currently has a favourable variance of \$1.60 million, primarily due to higher-than-expected land development revenues, staff vacancies and timing of operating costs and are forecasted to have a favourable variance at year end of \$1.74 million.

Parks, Recreation & Culture (“PRC”) Department currently has a favourable variance of \$1.76 million. This is primarily due to vacancies and timing of expenditures and higher than expected facility rental revenues and unbudgeted grants received from other levels of government. At this point, staff are forecasting a favourable variance for PRC at year end of \$0.14 million.

Planning & Development Department currently has a favourable variance of \$6.03 million. This is attributable to a surge in the issuance of building permits in the first four months of 2024, primarily due to advancement of developer project schedules in response to the expiry of the one-year rate protection period for in-stream projects for the new Metro Vancouver Water DCC. Due to such a significant variance in this nine-month period, staff are forecasting a favourable variance at year end of \$8.55 million.

Surrey Public Library currently has a favourable variance of \$0.88 million, due to timing of operating costs and savings from vacancies. Staff are forecasting that Surrey Libraries will be on budget at year end.

Mayor and Council currently has a favourable variance of \$0.04 million and is expected to have a variance of \$0.03 million at year end.

City Grants currently have a favourable variance of \$0.31 million and are expected to be on budget at year end.

City Manager’s Department currently has a favourable variance of \$0.28 million primarily due to the timing of expenditures and is expected to have a variance of \$0.08 million at year end.

Corporate Services Department has a favourable variance of \$1.74 million due to timing of operating costs and savings from vacancies and is forecasted to have a favourable variance at year end of \$0.60 million.

Finance Department currently has a favourable variance of \$1.03 million, primarily due to timing of operating costs and savings from vacancies and is forecasted to have a favourable variance at year end of \$1.61 million.

Social Infrastructure & Community Investment currently has a favourable variance of \$1.60 million, primarily due to savings from vacancies and is forecasted to have a favourable variance at year end of \$0.51 million.

## CONCLUSION

The City's financial performance relative to the adopted Budget for the third quarter of 2024 is relatively strong. City departments continue to proactively manage their respective budgets to ensure the financial position of the City for the remainder of the year remains strong and the City collectively meets budget at year end.

Kam Grewal  
CFO / General Manager  
Finance

Appendix "I": 2024 Third Quarter Council Report, Executive Summary - Revenues & Expenditures  
Appendix "II": 2024 Third Quarter Council Report, Departmental Detail

## Appendix "I"

### 2024 3rd QUARTER COUNCIL REPORT EXECUTIVE SUMMARY - REVENUES & EXPENDITURES

\$ 000's

REVENUE SUMMARY	2024: 3rd Qtr YTD Actual	2024 YTD BUDGET	2024: 3rd Qtr YTD Variance	2024 ANNUAL FORECAST	2024 ANNUAL BUDGET	2024 Projected Variance
<b>Net Taxation</b>	423,721	410,483	13,238	556,372	543,134	13,238
Secondary Suite Infrastructure Fee	27,809	25,587	2,222	36,990	34,116	2,874
Other Corporate Fees	2,953	3,204	(250)	3,716	4,066	(350)
Investment Interest	62,637	50,152	12,485	85,693	70,608	15,085
Provincial Casino Revenue Sharing	2,455	2,455	-	3,273	3,273	-
Local Govt. Climate Action Program	3,443	3,443	-	3,443	3,443	-
Other Trsf from Government	3,022	-	3,022	45,728	42,683	3,045
Penalties & Interest on Taxes	8,395	6,310	2,085	8,935	7,000	1,935
Corporate Leases	8,600	8,533	67	14,042	13,925	117
<b>Non-Tax Revenues</b>	<b>119,314</b>	<b>99,683</b>	<b>19,630</b>	<b>201,819</b>	<b>179,114</b>	<b>22,705</b>
Program Revenues	92,314	79,327	12,987	122,338	104,753	17,585
<b>TOTAL REVENUES</b>	<b>635,348</b>	<b>589,493</b>	<b>45,855</b>	<b>880,529</b>	<b>827,001</b>	<b>53,528</b>
EXPENDITURE SUMMARY	2024: 3rd Qtr YTD Actual	2024 YTD BUDGET	2024: 3rd Qtr YTD Variance	2024 ANNUAL FORECAST	2024 ANNUAL BUDGET	2024 Projected Variance
Program Expenditures, net of transfers	476,809	481,191	4,381	659,679	644,118	(15,561)
Council Priorities	162	162	-	260	260	-
Fiscal Services	361	115	(246)	500	125	(375)
Debt Interest & Principal	15,192	15,192	-	18,719	18,719	-
Other	1,826	1,998	171	26,442	26,442	-
<b>TOTAL EXPENDITURES</b>	<b>494,351</b>	<b>498,657</b>	<b>4,306</b>	<b>705,600</b>	<b>689,664</b>	<b>(15,936)</b>
CORPORATE TRANSFER SUMMARY	2024: 3rd Qtr YTD Actual	2024 YTD BUDGET	2024: 3rd Qtr YTD Variance	2024 ANNUAL FORECAST	2024 ANNUAL BUDGET	2024 Projected Variance
Transfer to /(from) Operating Sources	(9,458)	(15,272)	(5,814)	(14,547)	(20,361)	(5,814)
Transfer to /(from) Capital Sources	401	-	(401)	343	-	(343)
Transfer to /(from) Reserve Sources	7,063	7,063	-	33,800	33,800	-
Transfer to /(from) Surplus	87,435	95,842	8,407	115,414	123,898	8,484
<b>TOTAL TRANSFERS</b>	<b>85,440</b>	<b>87,633</b>	<b>2,192</b>	<b>135,010</b>	<b>137,337</b>	<b>2,327</b>
<b>Surplus (Deficit)</b>	<b>55,557</b>	<b>3,203</b>	<b>52,354</b>	<b>39,919</b>	<b>-</b>	<b>39,919</b>
<b>Trsf (To)From Unapprop Surplus</b>	<b>(55,557)</b>	<b>(3,203)</b>	<b>(52,354)</b>	<b>(39,919)</b>	<b>-</b>	<b>(39,919)</b>
<b>BALANCED BUDGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3rd Quarter YTD Actual to Budget Variance:</b>			<b>\$ 52,354</b>			

## Appendix "II"

**2024 3rd QUARTER COUNCIL REPORT  
DEPARTMENTAL DETAIL  
\$ 000's**

	2024: 3rd Qtr YTD ACTUAL	2024 YTD BUDGET	2024: 3rd Qtr YTD Variance	2024 Projected ACTUAL	2024 ANNUAL BUDGET	2024 Projected Variance
<b>PROGRAM REVENUES</b>						
City Police Support Service	7,999	6,328	1,671	10,108	8,437	1,671
Police Services	43	-	43	57	-	57
Fire	5,245	4,719	526	5,994	5,015	979
Engineering Services	8,619	7,777	842	11,250	10,566	684
Parks, Recreation & Culture	29,185	27,534	1,651	39,664	36,774	2,890
Planning & Development	27,613	22,387	5,226	38,039	29,847	8,192
Surrey Public Library	1,557	1,111	445	1,614	1,475	139
Mayor & Council	-	-	-	-	-	-
City Grants	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Corporate Services	9,591	8,345	1,246	12,730	11,126	1,604
Finance	1,230	1,125	104	1,613	1,513	100
Social Infrastructure & Community Invest.	1,233	-	1,233	1,271	-	1,271
<b>TOTAL PROGRAM REVENUES</b>	<b>92,314</b>	<b>79,327</b>	<b>12,987</b>	<b>122,338</b>	<b>104,753</b>	<b>17,585</b>

	2024: 3rd Qtr YTD ACTUAL	2024 YTD BUDGET	2024: 3rd Qtr YTD Variance	2024 Projected ACTUAL	2024 ANNUAL BUDGET	2024 Projected Variance
<b>PROGRAM EXPENDITURES NET OF TRANSFERS</b>						
City Police Support Service	25,954	27,254	1,300	34,613	36,817	2,204
Police Services	166,323	162,469	(3,854)	238,309	221,575	(16,734)
Fire	66,605	69,012	2,406	92,171	92,767	596
Engineering Services	10,582	11,341	758	13,906	14,962	1,056
Parks, Recreation & Culture	87,978	88,091	113	119,319	116,565	(2,754)
Planning & Development	20,307	21,114	807	27,223	27,580	357
Surrey Public Library	18,108	18,543	435	24,198	24,059	(139)
Mayor & Council	1,701	1,743	42	2,262	2,287	25
City Grants	1,152	1,457	305	1,611	1,611	-
City Manager	7,120	7,403	283	9,677	9,759	82
Corporate Services	56,039	56,536	497	75,787	74,788	(999)
Finance	8,749	9,672	923	10,838	12,350	1,512
Social Infrastructure & Community Invest.	6,189	6,557	368	9,764	8,998	(766)
<b>TOTAL PROGRAM EXPENDITURES</b>	<b>476,809</b>	<b>481,191</b>	<b>4,381</b>	<b>659,679</b>	<b>644,118</b>	<b>(15,561)</b>

	2024: 3rd Qtr YTD ACTUAL	2024 YTD BUDGET	2024: 3rd Qtr YTD Variance	2024 Projected ACTUAL	2024 ANNUAL BUDGET	2024 Projected Variance
<b>NET PROGRAM</b>						
City Police Support Service	17,956	20,927	2,971	24,505	28,380	3,875
Police Services	166,280	162,469	(3,811)	238,252	221,575	(16,677)
Fire	61,360	64,292	2,932	86,177	87,752	1,575
Engineering Services	1,963	3,563	1,600	2,656	4,396	1,740
Parks, Recreation & Culture	58,793	60,557	1,763	79,656	79,791	135
Planning & Development	(7,306)	(1,273)	6,033	(10,815)	(2,267)	8,548
Surrey Public Library	16,552	17,432	880	22,584	22,584	-
Mayor & Council	1,701	1,743	42	2,262	2,287	25
City Grants	1,152	1,457	305	1,611	1,611	-
City Manager	7,120	7,403	283	9,677	9,759	82
Corporate Services	46,448	48,191	1,743	63,058	63,662	604
Finance	7,519	8,547	1,028	9,226	10,837	1,611
Social Infrastructure & Community Invest.	4,956	6,557	1,601	8,493	8,998	505
<b>NET PROGRAM TOTAL</b>	<b>384,496</b>	<b>401,864</b>	<b>17,368</b>	<b>537,341</b>	<b>539,365</b>	<b>2,024</b>