

NO: F002

COUNCIL DATE: **January 16, 2012**

FINANCE COMMITTEE

TO: **Mayor & Council**

DATE: **January 6th, 2012**

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

FILE: **1705-05**

SUBJECT: **2012 Five-Year (2012-2016) Financial Plan – General Operating**

1.0 RECOMMENDATION

It is recommended that Finance Committee recommend that Council:

- a) Approve the recommendations outlined in Section 3.0 of this report; and
- b) Direct staff to prepare the 2012 Five-Year (2012 – 2016) Financial Plan incorporating these recommendations.

2.0 BACKGROUND

Five-Year (2011 – 2015) Financial Plan

City Council has identified several key priorities each of which has been addressed in the development of the Five Year (2012 – 2016) Financial Plan. This report documents funding recommendations in each of the priority areas forming the basis of the proposed Five-Year (2012-2016) Financial Plan.

2.1 “Build Surrey” Program

At its Regular meeting on March 1, 2010 Council approved the “Build Surrey” Program that consists of a series of large scale capital projects across the City to accommodate and support anticipated business and residential growth over the next 10 years. Funding for the construction of each of these capital projects has been included in the Five Year (2012 – 2016) Financial Plan to be funded from internal sources or through the Municipal Finance Authority.

As each new facility is completed and opened, on-going funding will be required for the maintenance and operation of that facility as well as capital repayment.

To fund the “Build Surrey” Program, new sustainable revenue sources have been identified. Funds generated through these new revenue sources that are not immediately required for capital amortization and facility operations, will be used to fund the capital requirements related to future elements of the Program.

2.1.1 “Build Surrey” Program Revenues

The “Build Surrey” Program is proposed to be funded from the sources and in the amounts identified in the following table:

	2012 Proposed Budget	2013 Proposed Plan	2014 Proposed Plan	2015 Proposed Plan	2016 Proposed Plan
REVENUE SUMMARY (\$ 000's)					
Secondary Suite Fee	\$ 6,100	\$ 7,120	\$ 8,300	\$ 9,390	\$ 10,390
Contribution from SCDC	-	4,000	5,000	6,000	7,000
Gaming Revenue	-	950	1,150	1,200	1,250
Other Sources	970	2,845	2,845	2,845	2,945
Lease/Fee Revenues (City Hall, Library. Etc)	173	676	2,193	2,193	2,193
TOTAL REVENUES	\$ 7,243	\$ 15,591	\$ 19,488	\$ 21,628	\$ 23,778

2.1.1.1 Secondary Suite Fee

There are currently over 19,000 single family residences in Surrey that are paying a fee for a secondary suite. There are still a fair number of unauthorized suites in the City that have not yet been added to the City’s records. The occupants of secondary suites create demand on the City’s capital infrastructure. The revenues generated by way of the Secondary Suite fee assists in funding the construction and operation of the City’s infrastructure. Staff is proposing that the secondary suite fee be increased from \$240 per year to \$247 per year in 2012.

2.1.1.2 Contribution from Surrey City Development Corporation

The operation of the Surrey City Development Corporation (SCDC) will generate revenue from the activities of the Corporation. The proposed Plan calls for the dividends to the City from the SCDC operations to be used to support the “Build Surrey” Program.

2.1.1.3 Gaming Revenue

The City currently receives approximately \$3 million per year in revenue-sharing funding from the Province related to gaming within the City of Surrey. It is proposed that any revenue received over and above the current level of \$3 million be used to assist in funding the “Build Surrey” Program.

2.1.1.4 Lease and Fee Revenue

Some of the projects included in the “Build Surrey” Program will generate lease and fee revenue either directly, such as the coffee shop and the leased space on the fourth floor of the City Centre Library, or indirectly such as the reuse of the current City Hall when it is leased in conjunction with the opening of the new City Hall in 2013. It is proposed that all of this new lease and fee revenue be used to support the “Build Surrey” Program.

2.1.2 “Build Surrey” Program Operating Expenditures

The “Build Surrey” Program also includes operating expenditures as outlined in the following table:

	2012 Proposed Budget	2013 Proposed Plan	2014 Proposed Plan	2015 Proposed Plan	2016 Proposed Plan
EXPENDITURE SUMMARY (\$ 000's)					
Amortization Payments	\$ 3,570	\$ 8,180	\$ 10,612	\$ 11,557	\$ 12,821
Operating Costs of Build Surrey Facilities	3,673	7,410	8,874	10,067	10,957
TOTAL EXPENDITURES	\$ 7,243	\$ 15,591	\$ 19,488	\$ 21,628	\$ 23,778

2.1.2.1 Amortization Payments

The cost of the capital projects outlined in the “Build Surrey” Program will be amortized. The annual amortization payment is included as an expense in the “Build Surrey” Program component of the Operating budget.

2.1.2.2 Operating costs of New Facilities

The projected operating costs of new facilities that will be opened in 2012 are listed below:

- City Centre Library (additional half year)	\$0.842M
- Fraser Heights Fitness (part year)	0.167M
- Art/Fitness Space in South Surrey (part year)	<u>0.051M</u>
Total	<u>\$1.060M</u>

2.1.2.3 Transfer to Capital

Any amounts that are not immediately required to fund operating expenditures will be used to fund the capital requirements of the “Build Surrey” Program.

2.2 Public Safety/Crime Reduction

Crime reduction and prevention continue to be a priority of the City. The following describes elements of the proposed 2012 - 2016 Financial Plan that address this key priority area.

2.2.1 Police Services

The current authorized RCMP complement in the Surrey detachment is 651 members (including 10 Community Safety Officers and 8 crime analysts). The current Financial Plan (2011) allows for additional members in 2012 that will maintain the current ratio of citizens per officer. The Financial Plan proposes that 10 new RCMP member positions be added in 2012. This will increase the Surrey detachment complement to 661 members, which includes Surrey’s pro-rated share of members on the Integrated Service Teams. The additional positions are proposed to be funded beginning October 1st, 2012. If the new positions are filled sooner than October 2012, bridge funding is available from prior years’ RCMP operating savings.

The support staff organization for police services was reviewed in 2010. This review recommended that some existing positions be reclassified, that some part-time positions be converted to full-time positions and that some additional positions be added to the structure. Based on this review, \$680,000 was added to the RCMP support staff budget in 2011 to address the recommendations of that review. This included the equivalent of 8 full time positions, some of which were funded for only part of 2011. Funding in the amount of \$266,000 is included in the 2012 budget to fund the eight new positions on a full year basis. In addition, funding for one new support services position is included in the budget for 2012. This will increase the civilian complement to 239 for 2012.

The Five Year (2012 – 2016) Financial Plan also includes funding for the retrofit of the holding cells in the Main Detachment building. This work is expected to be completed in 2013.

2.2.2 Fire Services

To ensure the continued effective delivery of Fire Services, 8 additional fire-fighters are being included in the 2012 budget. These fire-fighters will allow for the continued efficient provision of fire operations across the City. The Five Year (2012 – 2016) Financial Plan also includes the addition of 4 fire-fighters in 2013.

2.2.3 By-Law Enforcement

To ensure the continued effective delivery of the by-law and licensing services, 1 additional by-law enforcement officer has been included in the 2012 component of the proposed Five Year (2012 – 2016) Financial Plan.

2.2.4 Crime Reduction Strategy

An allocation of \$300,000 is provided for the continued roll out of the Crime Reduction Strategy which includes funding for a Community Services Coordinator who is responsible for supporting the “Wraparound” Program (WRAP). The WRAP is targeted at preventing gang-related crime through education, prevention and intervention processes for at-risk youth and their parents. The proposed budget also includes a new Community Crime Prevention Program Coordinator who will work with the Crime Reduction Manager to implement the recommendations of the Crime Reduction Strategy across the City.

2.3 Beautification and Town Centre Development

During the Regular Council meeting on December 12th, 2011, the Mayor announced the formation of a Beautification and Town Centre Development Task Force. This Task force will be responsible for assisting in the formulation of a Beautification Plan for each of the City’s Town Centres. The 2011 Financial Plan included an allocation of \$2,078,000 to fund initiatives identified in the City’s Beautification Strategy. This included the on-going maintenance of almost 20,000 street trees and 44,000 m² of street landscaped beds on medians, boulevards and frontage roads throughout the City. The proposed 2012 Five Year (2012-2016) Financial Plan includes additional annual funding in the amount of \$406,000 for the on-going maintenance of on-street landscaping, hanging baskets and decorative planters that were installed in 2011.

In addition to operating funding, the 2011 Capital Plan also included on-going capital funding of \$500,000 for new City beautification initiatives. It is also proposed that in 2012, \$250,000 of this funding be allocated to specific Town Centre plans that are developed in consultation with the Beautification and Town Centre Development Task Force.

The total 2012 annual operating budget for Beautification and Town Centre Development is \$2,734,000.

The draft 2012 Capital Plan includes on-going funding of \$350,000 for tree planting initiatives identified in the City Beautification Strategy. Revenue to support this allocation is available from the Green City Fund, from the administration of the new Tree Preservation By-law and from revenues generated through building permits.

In 2010, By-law No. 17160, the *Pesticide Use Control By-law*, was adopted. This by-law prohibits the use of most pesticides for the control of weeds and other pests on City lands. Funding in the amount of \$400,000 was included in the 2011 adopted Financial Plan to support alternative approaches to weed and pest control in lieu of the use of pesticides. Staff is continuing to monitor the effectiveness of these alternative approaches with this level of expenditure with a view of making further adjustments to this budget amount in 2013 if necessary.

2.4 Plan for Social Well Being of Surrey Residents

The budget for programs introduced in previous years that support the recommendations in the Plan for the Social Well Being of Surrey Residents totals \$1,552,000. The 2012 Plan allocates additional funding in this area as follows:

Volunteer Resources for PRC	\$ 26,500
Additional Support Staff for Guildford	\$ 13,300
One to One Support for Summer Day Camps	\$ 42,000
City Centre Library Friday & Sunday Opening	\$ 76,000
Middle Years Programming for Library	<u>\$ 25,000</u>
Total new initiatives	<u>\$182,800</u>

This will increase the total funding for initiatives related to the Social Well-being Plan to \$1,735,000 per year in 2012. A list of the programs funded by way of this allocation is contained in **Appendix A**.

2.5 Sustainability

Beginning in 2012, the City will be required to set aside funds for carbon offsets in accordance with the “Climate Action Charter” agreement that was executed by the City with the Province in 2009. It is estimated that these carbon offsets for 2012 will amount to approximately \$400,000 and will be funded from the annual carbon tax rebates that the City receives from the Provincial Government. Staff is working with Provincial officials with a view to using the City’s carbon offset funding as referenced above on projects within Surrey constructed by the City that will act to reduce green house gas emissions in Surrey.

BC Hydro offers grants to local governments for funding positions that assist in reducing energy consumption. In this regard, the 2012 component of the proposed Financial Plan provides funding for the City to enter into an arrangement with BC Hydro to cost-share a term position to assist in achieving the objectives outlined in the City’s Sustainability Charter. The total cost of this position is \$100,000. The City’s share, being \$50,000, will be funded from the Carbon Tax Rebate Account.

2.6 ENERGYShift

The ENERGYShift initiative is a suite of programs related to energy sustainability and economic development that is being implemented by the Engineering Department, the Planning & Development Department, the Investment & Intergovernmental Relations Department, and the Sustainability Office.

In 2010, Council approved \$100,000 of funding for a full time Energy Manager position to coordinate the various ENERGYShift programs. The various programs have evolved over the last year with program leaders identified in each department. With a view to continuing the evolution of this important initiative an additional \$85,000 is being allocated to this initiative in 2012 with a view to continuing to roll out the various programs.

2.7 Staffing Capacity

In addition to other positions previously discussed in this Section, additional staffing is required for the operation of new facilities coming on-stream in 2012. This cost has been included in the overall operating costs of new facilities as outlined in Section 2.2.

Other staff adjustments may be made during 2012 if service delivery demands increase. Any new demand will generate unanticipated revenues that will then be used to offset the costs of the new positions brought on to address the additional unanticipated demand (i.e., development activity, recreation programs, etc.).

The workforce across North America, including at the City of Surrey, has begun to see the effects of the retirement of “baby boomers”. This trend will accelerate over the next several years. Surrey, like other organizations, is working to ensure that it has effective succession plans in place to ensure the continued effective delivery of services by the City. The Human Resources Department is working on several initiatives that will assist in identifying and training current employees to move into more senior positions.

2.8 Enhancements to City Website/Social Media

Last year’s Five Year (2011 – 2015) Financial Plan included funding for the establishment of a Website Team involving 3 positions, who are responsible for implementing and coordinating information delivery by way of the City’s new website. The City’s website must be maintained and updated on a regular on-going basis to ensure that the information it contains is current and relevant. An editor position has been temporarily added to the Website Team to address back-logged requests. Additional funding for consulting resources is being allocated in the proposed 2012 budget to allow for website enhancements and the implementation of mobile application updates on a timely basis. In total \$300,000 in new operating funding is being allocated to the website for 2012. In addition, there is an Information Technology capital requirement of \$260,000 that will enable the City’s website to be conveniently accessed by mobile devices and to provide enhanced analytics to City staff regarding use of the website.

3.0 DISCUSSION OF GENERAL OPERATING

The 2011 Five-Year (2011 – 2015) Financial Plan was adopted by Council in December 2010. Based on the recommendations in this report as well as Council direction received during last year’s financial planning process and during the course of 2011, staff has developed a draft of the 2012 Five Year (2012 – 2016) Financial Plan. This includes extending the same assumptions that were used in developing the 2011 Five Year (2011-2015) Financial Plan through to 2016. The following is a summary of the new funding requirements and funding availability for the 2012 General Operating component of the proposed 2012 Five Year (2012-2016) Financial Plan.

3.1 New Funding Required in 2012

PUBLIC SAFETY/CRIME REDUCTION (Section 2.2)

RCMP Police Services (Section 2.2.1)

• Annualization of 10 contract member positions added in Oct/11	\$0.975M
• Addition of 10 contract member positions effective Oct/12	0.325M
• Increase to RCMP salaries & other benefits	3.855M
• Addition of civilian staff	0.366M
• Labour increases – (civilian staff only)	0.247M
• Other inflation and 3 rd party contract increases	<u>0.777M</u>
	\$6.545M

The cost of Police Services in total will amount to \$111.783M, which represents 46.5% of the City’s property tax revenue of \$240.652M for 2012.

Fire Services (Section 2.2.2)

• Annualization of 8 fire-fighters added April 1 st , 2011	\$0.160M
• 8 additional fire-fighters for 2012	0.640M
• 2012 of 2010/11 labour contract and other labour increases	3.649M
• Inflation and other 3 rd party contract increases	<u>0.114M</u>
	\$4.563M

The cost of Fire Services in total will amount to \$53.074M, which represents 22.1% of the City's property tax revenue of \$240.652M for 2012.

By-Law Services (Section 2.2.3)

• Annualization of 2 by-law enforcement officers added April 1 st , 2011	\$0.048M
• Addition of 1 by-law enforcement officer for 2012	0.093M
• Labour & other 3 rd party contract increases	<u>0.084M</u>
	\$0.225M

The cost of By-Law Services in total will amount to \$5.582M, which represents 2.3% of the City's property tax revenue of \$240.652M for 2012.

Sub Total \$11.333M

The cost of Protective Services in total will amount to \$170.439M, which represents 70.8% of the City's property tax revenue of \$240.652M for 2012.

OTHER COUNCIL KEY PRIORITIES

• Beautification and Town Centre Development (Section 2.3)	0.656M
• Sustainability (Section 2.5)	0.450M
• Social Well Being Plan (Section 2.4)	0.183M
• ENGERGYShift Program (Section 2.6)	<u>0.085M</u>

Sub Total \$ 1.374M

OTHER

• Annualization of 2011 increases – (net of RCMP, Fire, & By-law Services)	\$1.177M
• 3 rd Party and other inflationary increases	1.103M
• Increased operating contribution to capital	1.400M
• Provision for inventory increases - Parks	0.450M
• One-time funding for PRC initiatives previously adopted by Council:	
o 2012 Summer Games	\$0.120M
o 2012 Cultural Plan rollout	0.050M
o 2012 Surrey Marathon (CR - F016)	0.215M
o Part Year operation of Bridgeview Community Centre	0.200M
o 2012 Cloverdale Historical Re-Enactment (CR - R148)	<u>0.070M</u>
• Continued Enhancements to City Website (Section 2.8)	<u>0.300M</u>

Sub Total \$5.085M

Total Additional Funding Required \$17.792M

3.2 *New Funding Available*

The following are projected revenue increases for 2012, in comparison to 2011, some of which were approved by Council as part of the 2011 Financial Plan:

• Estimated property tax revenue related to new growth	\$7.142M
• Property tax increase of 0.6% in addition to the rate of inflation (2.3%) (Equivalent to approx. \$39/yr for the average single-family dwelling and \$193/yr for a business with an assessed value of \$1.0 million, i.e., a building area of 8,000 sq. ft. on a 20,000 sq. ft. lot)	6.889M
• Other revenue (growth & fee increases)	2.609M
• Transfer from Carbon Tax Rebate Account	0.450M
• One-Time funding for 2012 PRC initiatives identified above	<u>0.655M</u>

Total Additional Funding Proposed **\$17.745M**

3.3 *Summary of Proposed 2011 General Operating Financial Plan*

Total requirements over and above the Adopted 2011 Financial Plan:

• 2011 Budgeted Transfer from Surplus	\$ 3.951M	
• Expenditure increases as outlined above	<u>17.792M</u>	\$21.743M
<u>Less:</u>		
• Revenue increases as outlined above		<u>\$17.745M</u>

Proposed 2012 Budgeted Transfer from Surplus **\$ 3.998M**

The proposed 2012 General Operating budgeted expenditure increases are offset by revenue increases. This provides for a balanced budget for 2012 but relies on a budgeted transfer from surplus of \$3.998 Million, which is similar to approved budget in each of the last few years.

3.4 *The Proposed 2012 Five Year (2013 – 2016) General Operating Financial Plan*

To complete the allocations for the remaining years of the 2012 – 2016 Five-Year General Operating Plan (i.e., 2013-2016), the following assumptions were used:

- A 2.9% property tax rate increase which will be used in majority, to offset the expected cost of inflation for each of the remaining years of the Plan;
- Across the board fee increases for each of the years of the Plan;
- RCMP contract officer positions added to maintain the current ratio of officers to citizens based on projected growth;
- Civilian staff added for the RCMP to maintain the current ratio of civilian staff to RCMP members;
- One additional By-law Enforcement Officer per year;
- Four additional positions for Fire Services in 2013;
- Operating costs for new facilities identified in the Capital Plan in the year in which each such facility is projected to become operational; and
- Allowances for inventory increases and inflation.

The draft 2012 Five-Year (2012 – 2016) General Operating Financial Plan has been developed and is attached as **Appendix B**.

The draft Plan includes 'Other Revenue' for the years 2012 and onwards. Although the source of this revenue has not yet been specifically identified, it is likely that this will be accomplished through the following means:

1. Continued acceleration of business development that will increase property tax revenues related to new growth;
2. Revenue from the Surrey City Development Corporation (SCDC) that will be generated from its on-going activities; and/or
3. Other City initiatives that generate new revenues.

Surrey property owners continue to benefit from some of the lowest property taxes in the Lower Mainland. A chart that compares property taxes across several Lower Mainland municipalities is attached as **Appendix C**.

4.0 **SUMMARY**

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

- Approve the recommendations outlined in Section 3.0 of this report, and
- Direct staff to prepare the 2012 Five-Year (2012 – 2016) Financial Plan incorporating these recommendations.

Murray Dinwoodie,
City Manager

Vivienne Wilke, CGA
General Manager,
Finance & Technology

Appendix "A": Social Well Being Program Funding Allocations

Appendix "B": Proposed Five Year Financial Plan – General Operating

Appendix "C": Comparative Property Tax Information for Lower Mainland Municipalities

APPENDIX A

2012 SOCIAL WELL BEING

Program	Description		Dep't	Amount
10205	2012 Proposed Budget			<u>Total</u>
7055	Library Sunday Opening	on-going	SPL	197,000
7059	Youth Librarian	on-going	SPL	90,000
7059	Literacy Programs	on-going	SPL	95,000
7059	Early Literary Coordinator	on-going	SPL	36,000
7056	Multilingual Library Collection	on-going	SPL	32,000
7056	Multilingual Service Librarian	on-going	SPL	18,000
7057	Security Services - Various Library Locations	on-going	SPL	31,000
7066	Community Outreach	on-going	PRC	7,300
7067	Community School Partnership Coordinator	on-going	PRC	99,200
7064	Youth Engagement Initiatives	on-going	PRC	92,200
7072	Community School Partnership	on-going	PRC	63,300
7061	Diversity Outreach Programs	on-going	PRC	82,800
7069	Newton Programming Increases/Diversity Outreach Programs	on-going	PRC	82,900
7068	Community Development/Outreach & Volunteer Programs	on-going	PRC	102,600
7054	Late Night Recreation Program for Youth	on-going	PRC	46,700
7060	After School Programming - Newton	on-going	PRC	34,200
7062	Everyone Gets to Play - Newton & Guildford CLS	on-going	PRC	34,100
7063	Multilingual Facility Attendant - Newton	on-going	PRC	23,900
7065	Recreation Assistant to Support Youth Week	on-going	PRC	11,400
7070	Youth Engagement / Outreach	on-going	PRC	80,700
7071 NEW	First Steps Program - Early Childhood Development	on-going	PRC	25,000
one-time in 2011				
7058	Social Planner	on-going	Plan	112,200
7073	Newton Pre-School Program/Seniors	on-going	PRC	52,600
7074	Pre-school Diversity Programs (North & South)	on-going	PRC	25,900
7075	City Centre Library Fri eve & Sunday Opening (1st 1/2)	on-going	SPL	76,000
NEW	Volunteer Resources	on-going	PRC	26,500
NEW	Guildford Support Staff	on-going	PRC	13,300
NEW	One to One Support for Summer Day Camps	on-going	PRC	42,000
NEW	City Centre Library Fri eve & Sunday Opening (2nd 1/2)	on-going	SPL	76,000
NEW	Middle Years Programming	on-going	SPL	25,000
Recommended Allocations for 2012				<u>1,734,800</u>

2012 - 2016 FINANCIAL PLAN
GENERAL OPERATING - FINANCIAL SUMMARY
(in thousands)

REVENUE SUMMARY	2012 BUDGET	2013 PLAN	2014 PLAN	2015 PLAN	2016 PLAN
Taxation	\$ 240,652	\$ 253,177	\$ 265,876	\$ 278,704	\$ 292,158
Departmental Revenues	62,523	64,221	65,975	67,780	69,638
Investment Income	13,810	12,968	12,313	11,436	10,907
Build Surrey Program	7,243	15,591	19,488	21,628	23,778
Provincial Revenue Sharing re: Gaming	3,000	3,000	3,000	3,000	3,000
Corporate Lease Revenue	3,360	3,427	3,496	3,566	3,637
Penalties & Interest	3,200	3,300	3,400	3,500	3,600
Other Revenue	3,240	3,240	3,240	3,240	3,240
	\$337,028	\$358,924	\$376,788	\$392,854	\$409,958
EXPENDITURE SUMMARY					
Departmental Expenditures	\$ 299,069	\$ 310,549	\$ 323,372	\$ 334,760	\$ 347,865
Build Surrey Program	7,243	15,591	19,488	21,628	23,778
Council Priorities	5,454	5,881	6,339	6,790	7,256
Fiscal Services	1,240	1,275	1,309	1,343	1,378
Contribution to Capital	11,400	12,200	12,500	12,800	13,100
Net Tsf.To/(From) Surplus & Other Func	16,620	17,394	17,713	19,434	20,449
	\$341,026	\$362,890	\$380,721	\$396,755	\$413,826
Surplus/(Deficit)	\$ (3,998)	\$ (3,966)	\$ (3,933)	\$ (3,901)	\$ (3,868)
Transfers (To)/From Surplus	3,998	3,966	3,933	3,901	3,868
	\$ -	\$ -	\$ -	\$ -	\$ -

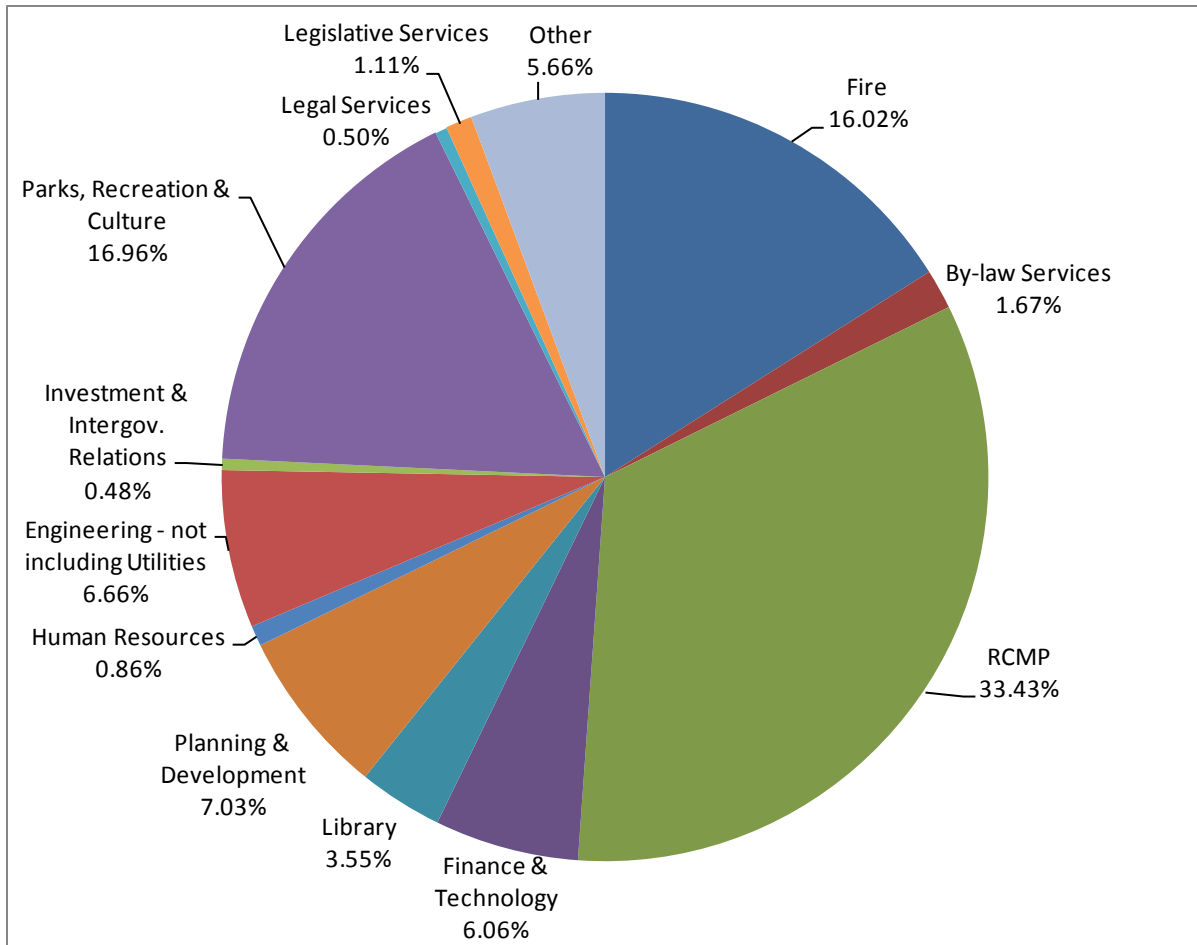
2012 - 2016 FINANCIAL PLAN
GENERAL OPERATING - REVENUE SUMMARY
(in thousands)

REVENUE SUMMARY	2012 BUDGET	2013 PLAN	2014 PLAN	2015 PLAN	2016 PLAN
Taxation					
Base Levy	\$214,177	\$ 226,682	\$ 238,804	\$ 251,085	\$ 263,483
Assessment Growth (City's Portion)	5,936	5,440	5,254	5,022	5,270
Property Tax Rate Increase	6,620	6,731	7,077	7,427	7,793
Provision for Adjustments	(50)	(50)	(50)	(50)	(50)
	<u>226,683</u>	<u>238,803</u>	<u>251,085</u>	<u>263,484</u>	<u>276,496</u>
Grants in Lieu	13,969	14,374	14,791	15,220	15,662
Net Taxation	240,652	253,177	265,876	278,704	292,158
General Government					
City Manager	7,385	7,599	7,819	8,045	8,278
Finance & Technology	1,126	1,153	1,181	1,210	1,240
Human Resources	10	10	10	10	10
	<u>8,521</u>	<u>8,762</u>	<u>9,010</u>	<u>9,265</u>	<u>9,528</u>
Protection Services					
Fire	1,427	1,468	1,510	1,553	1,598
RCMP	7,196	7,405	7,619	7,840	8,067
	<u>8,623</u>	<u>8,873</u>	<u>9,129</u>	<u>9,393</u>	<u>9,665</u>
Other					
Engineering Services	5,200	5,316	5,442	5,572	5,705
Parks, Recreation & Culture	20,955	21,536	22,134	22,750	23,384
Surrey Public Library	1,593	1,593	1,593	1,593	1,593
Planning & Development	17,631	18,141	18,667	19,207	19,763
	<u>45,379</u>	<u>46,586</u>	<u>47,836</u>	<u>49,122</u>	<u>50,445</u>
Departmental Revenues	62,523	64,221	65,975	67,780	69,638
Investment Income	13,810	12,968	12,313	11,436	10,907
Secondary Suite Infrastructure Fee	6,100	7,120	8,300	9,390	10,390
Contribution from SCDC	-	4,000	5,000	6,000	7,000
Gaming Revenue	-	950	1,150	1,200	1,250
Lease/Fee Revenue	168	2,845	2,845	2,845	2,945
Other Sources	975	676	2,193	2,193	2,193
Build Surrey Program	7,243	15,591	19,488	21,628	23,778
Provincial Casino Revenue Sharing	3,000	3,000	3,000	3,000	3,000
Corporate Lease Revenue	3,360	3,427	3,496	3,566	3,637
Penalties & Interest	3,200	3,300	3,400	3,500	3,600
Carbon Tax Rebates	400	400	400	400	400
Other	2,840	2,840	2,840	2,840	2,840
Other Revenue	9,800	9,967	10,136	10,306	10,477
	<u>\$337,028</u>	<u>\$358,924</u>	<u>\$376,788</u>	<u>\$392,854</u>	<u>\$409,958</u>

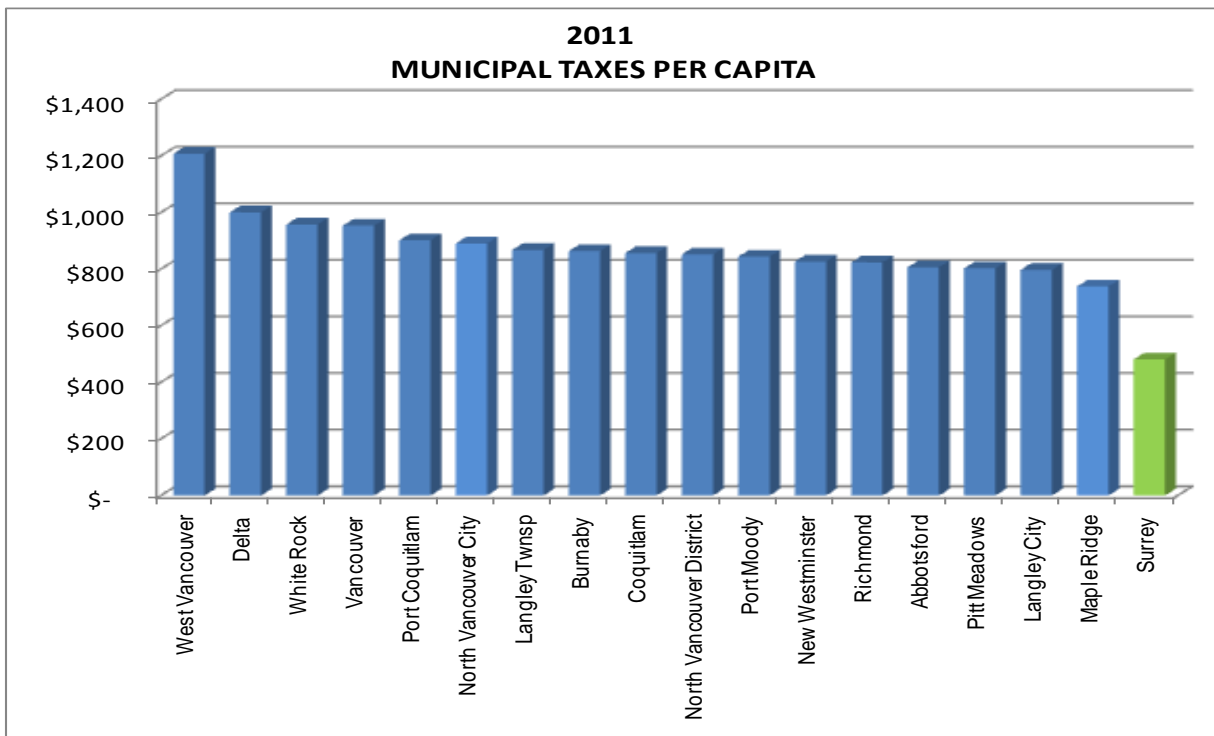
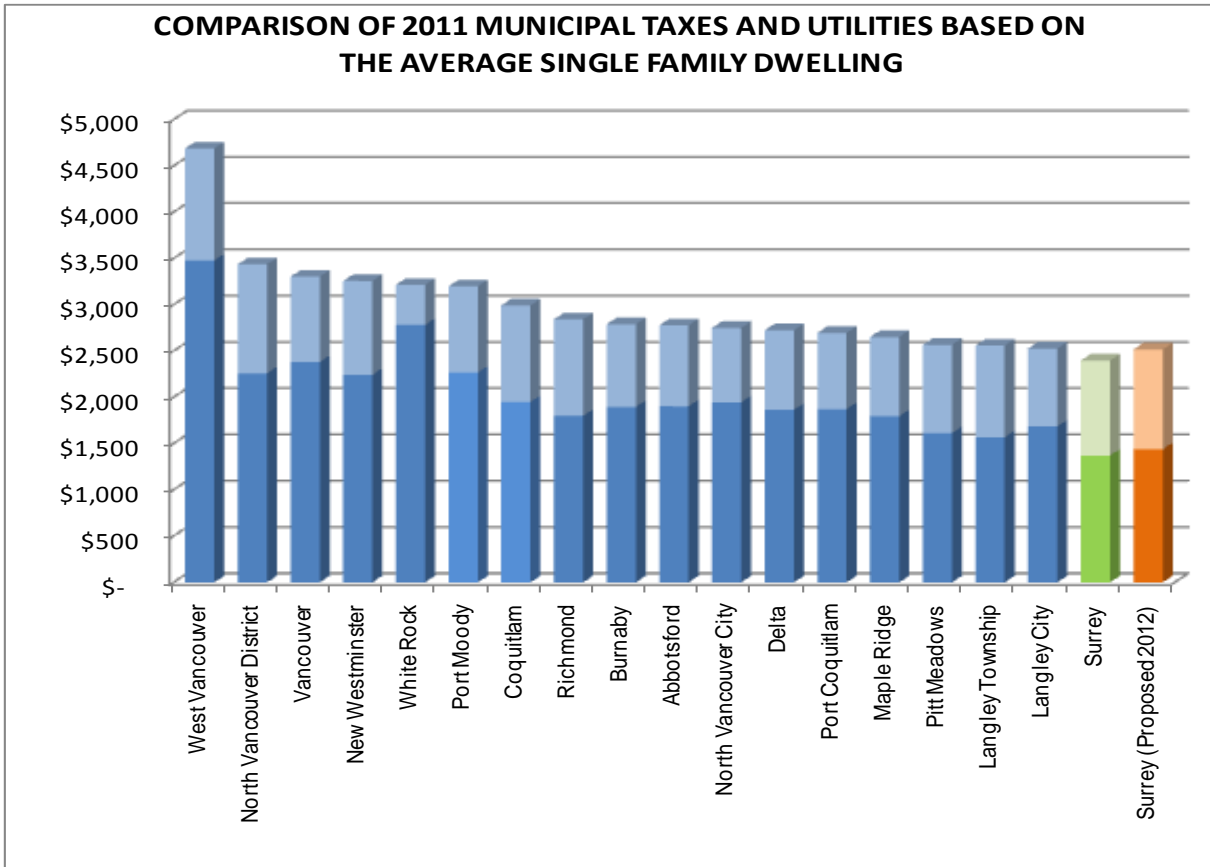
2012 - 2016 FINANCIAL PLAN
GENERAL OPERATING - EXPENDITURE SUMMARY
(in thousands)

EXPENDITURE SUMMARY	2012 BUDGET	2013 PLAN	2014 PLAN	2015 PLAN	2016 PLAN
General Government					
Mayor, Council & Grants	\$ 2,519	\$ 2,547	\$ 2,589	\$ 2,626	\$ 2,673
City Manager	11,668	12,013	13,176	12,910	13,428
Investments & Intergov. Relations	1,584	1,615	1,661	1,703	1,755
Finance & Technology	20,126	20,609	21,251	21,844	22,545
Human Resources	2,921	3,011	3,139	3,259	3,406
	38,818	39,795	41,816	42,342	43,807
Protection Services					
Fire	51,697	52,867	54,294	55,525	57,137
RCMP	110,083	117,002	123,245	130,331	137,076
	161,780	169,869	177,539	185,856	194,213
Other					
Engineering Services	4,566	4,588	4,699	4,795	4,920
Parks, Recreation & Culture	58,561	59,846	61,724	63,473	65,485
Surrey Public Library	11,835	12,134	12,580	12,981	13,482
Planning & Development	22,784	23,175	23,785	24,361	25,074
Operating Contingency	725	1,142	1,229	952	884
	98,471	100,885	104,017	106,562	109,845
Total Departmental Expenditures	299,069	310,549	323,372	334,760	347,865
Build Surrey					
Annual Debt Repayment	3,569	8,181	10,614	11,561	12,821
Operating Costs for New Facilities	3,674	7,410	8,874	10,067	10,957
	7,243	15,591	19,488	21,628	23,778
Council Priorities					
Council Projects	250	250	250	250	250
Crime Reduction Strategy	300	300	300	300	300
City Beautification	2,734	3,136	3,538	3,940	4,343
Social Plan	1,735	1,760	1,806	1,845	1,898
Sustainability	250	250	260	270	280
Clean Energy Program	185	185	185	185	185
	5,454	5,881	6,339	6,790	7,256
Fiscal Services					
Fiscal Charges	439	452	465	479	493
Interest Paid on Prepaid Taxes	565	578	591	603	615
Internal Borrowing	236	245	253	261	270
	1,240	1,275	1,309	1,343	1,378
Carbon Emission Offsets	400	400	400	400	400
Contributions to Capital					
Contribution to Capital	8,400	9,200	9,500	9,800	10,100
Contribution Capital re: Gaming	3,000	3,000	3,000	3,000	3,000
	11,400	12,200	12,500	12,800	13,100
Net Tsf. To/(From) Surplus & Other Funds					
Roads & Transportation Fund	15,864	15,864	15,864	15,864	15,864
Solid Waste Fund	(1,949)	(1,816)	(1,716)	(1,616)	(1,516)
Water Revenue Fund	(1,745)	(1,861)	(1,969)	(2,078)	(2,191)
Sewer/Drainage Fund	(1,766)	(1,947)	(2,109)	(2,273)	(2,441)
Reserve Funds	5,816	6,754	7,244	9,137	10,332
	16,220	16,994	17,313	19,034	20,049
	\$ 341,026	\$ 362,890	\$ 380,721	\$ 396,755	\$ 413,826

2012 Budgeted General Operating Expenditures



APPENDIX C-1



APPENDIX C-2

