



**REGULAR**

**REPORT DATE:** July 19, 2023  
**BOARD MEETING DATE:** July 26, 2023  
**BOARD REPORT #** 2023-FIN007

**TO:** Surrey Police Board

**FROM:** Finance Committee

**FILE:** 60540-20-04

**SUBJECT:** Financial Update – Year-To-Date Expenditures (June 30, 2023)

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## RECOMMENDATION

The Finance Committee recommends the Surrey Police Board (the “Board”) receive this report for information.

## PURPOSE

This report presents a summary of 2023 year-to-date expenditures incurred to the period ended June 30, 2023.

## BACKGROUND

The City’s proposed five-year (2023 – 2027) operating budget for police services is summarized in the following table (in thousands):

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

Discussions with the City on SPS’s 2023 budget allocation will occur subsequent to the Province’s direction on the police transition.

## DISCUSSION

### SPS Operations

As of June 30, 2023, year-to-date expenditures (operating and capital) totalled \$34.56M, summarized below:

## Year-to-Date Expenditures Summary

As of June 30, 2023

	YTD ACTUAL
<i>SPS Operations</i>	
Board Remunerations	45,041
Salaries and Benefits	30,618,796
Other Expenditures	1,663,007
<b>Total SPS Operations</b>	<b>\$ 32,326,844</b>
<b>Capital Expenditures</b>	<b>\$ 2,235,541</b>
<b>TOTAL SPS EXPENDITURES</b>	<b>\$ 34,562,385</b>

Year-to-date, SPS expended \$45K for board remuneration, \$30.62M for employee salaries and benefits, \$2.24M on capital expenditures, and \$1.66M on other operating expenditures. (Appendix I provides a breakdown of expenditures by Bureau.)

On June 30, 2023, there were 397 active SPS employees (337 sworn members and 60 civilians). Of these employees, 36 were assigned to temporary positions in recruiting, security clearance, auxiliary/on-call staff for backfill, and various other roles as part of the policing transition and establishing SPS; their salaries and benefits are allocated to the One-time Policing Transition Project fund.

Included in SPS Operations, are salaries and benefits of \$30.62M, for 361 employees (319 sworn members and 42 civilians) currently active, engaged in policing and day-to-day business operating activities.

Other operating expenditures of \$1.66M included: \$113K for training courses and seminars, \$360K paid to JIBC for recruit training; \$177K of electronic communications related expenses; \$117K of travel expenses; \$27K of memberships and professional dues; \$19K for lease and rentals; \$157K for supplies and materials; \$9K for publications and reference materials; \$681K for outsourced services.

### **One-Time Policing Transition Project (City of Surrey budget)**

For awareness, the City's one-time policing transition project expenditures are reported below:

#### One-Time Policing Transition Fund Summary

As of June 30, 2023

	TOTAL FUND AVAILABLE	YTD ACTUAL EXPENSES	REMAINING FUND BALANCE	PROJECTED EXPENDITURES	PROJECTED FUND CARRY FORWARD
	2023	2023	2023	2023	2024
<b>Project Summary</b>					
One-Time Policing Transition**	\$ 24,383,185	\$ 4,154,030	\$ 20,229,155	\$ 13,860,470	\$ 10,522,715

\*\* Total fund available in 2023 includes \$19.383M carried forward from prior years.

Appendix II presents the detail on the policing transition project costs related to establishing SPS, based on our latest financial projection (prepared on June 10, 2023). Year-to-date expenditures as of June 30, 2023, totalled \$4.15M of \$24.38M available; details of significance are presented below:

- Recruitment, Assessment, and Training expenses include costs incurred to support the recruiting surge for SPS, security clearances, testing and assessment of candidates, and training of new hires; year-to-date expenditures totalled \$1.36M (38% of projected amount for 2023).
- Human Resources expenses include personnel in various temporary roles (auxiliary staff) and HR consultant(s) to support establishing SPS; year-to-date expenditures totalled \$277K (20% of projected amount for 2023).
- Communications and Marketing expenditures include consultants managing public relations and brand development expenses to support the establishment of SPS; year-to-date expenditures totalled \$82K (40% of projected amount for 2023).
- Financial Services expenses include outsourced financial service consultants and personnel to support setting up SPSs' finance and payroll systems and databases; year-to-date expenditures totalled \$29K (20% of projected amount for 2023).
- Legal expenditures are specialized legal services, for matters related to collective bargaining, human resources, trademarks, and other establishment legal costs; also included, is the cost of in-house counsel seconded from the City. The year-to-date expenditures totalled \$134K (48% of projected amount for 2023).
- Information Technology Systems and Capital costs include IT operating systems setup, external consultants for project management, building our technology infrastructure (data centre, dispatch systems, administrative systems), and the procurement of related assets; year-to-date expenditures totalled \$1.33M (22% of projected amount for 2023).
- Armoury, Outfit, and Other Equipment Capital costs are related to firearms, uniforms, personal issue kits, and other speciality equipment for policing; year-to-date expenditures totalled \$834K (45% of projected amount for 2023).
- Fleet Conversion and Capital, and Other Infrastructure expenditures include expenses to convert the incoming fleet of RCMP vehicles, initial SPS vehicles ordered in 2021, and temporary personnel costs allocated by the City to support building SPS's infrastructure; year-to-date expenditures totalled \$108K (48% of projected amount for 2023).

## CONCLUSION

Expenditures to date supporting SPS's operations and the One-time Policing Transition Project have been trending low due to reduced activities as we wait for provincial direction on the police transition.

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Chair, Finance Committee

Appendix I      Surrey Police Service Year-to-Date Expenditures – June 30, 2023

Appendix II     One-Time Policing Transition Fund as of June 30, 2023

APPENDIX I

Surrey Police Service  
Year-to-Date Expenditures - June 30, 2023

	YTD ACTUAL
<i>Surrey Police Board</i>	
Board Remunerations	45,041
Salaries and Benefits	157,206
Other Expenditures	39,557
<b>Surrey Police Board</b>	<b>\$ 241,804</b>
 <i>Office of the Chief Constable</i>	
Salaries and Benefits	1,423,943
Other Expenditures	64,090
<b>Office of the Chief Constable</b>	<b>\$ 1,488,033</b>
 <i>Community Policing Bureau</i>	
Salaries and Benefits	19,565,141
Lower Mainland Integrated Teams	-
Other Expenditures	136,447
<b>Community Policing Bureau</b>	<b>\$ 19,701,588</b>
 <i>Investigative Services Bureau</i>	
Salaries and Benefits	1,761,818
Other Expenditures	25,115
<b>Investigative Services Bureau</b>	<b>\$ 1,786,933</b>
 <i>Support Services Bureau</i>	
Salaries and Benefits	7,710,688
Other Expenditures	1,397,798
<b>Support Services Bureau</b>	<b>\$ 9,108,486</b>
 <b>Total Operation Expenditures</b>	 <b>\$ 32,326,844</b>
 <b>Capital Expenditures</b>	 <b>\$ 2,235,541</b>
 <b>TOTAL SPS EXPENDITURES</b>	 <b>\$ 34,562,385</b>

**One-Time Policing Transition Fund**

As of June 30, 2023

(Forecasted June 10, 2023)

	2020 - 2022 Expenditures	Jun YTD Expenditures	2023 Projection	% Spent	2024 Projection	2025 Projection	Total Forecasted Transition Project Cost
Recruitment, Assessment, and Training	\$ 5,834,920	\$ 1,356,132	\$ 3,576,032	38%	\$ 2,540,442	\$ 1,607,975	\$ 13,559,369
Human Resources	1,587,861	276,748	1,395,360	20%	1,306,133	-	4,289,354
Communications and Marketing	918,518	81,905	205,500	40%	205,500	169,500	1,499,018
Financial Services	701,474	29,345	144,345	20%	190,000	-	1,035,819
Legal	1,067,615	134,098	280,104	48%	294,109	-	1,641,828
Strategy and Policy	782,059	-	-	-	-	-	782,059
Information Technology Systems and Capital	17,854,328	1,333,966	6,178,102	22%	8,438,800	-	32,471,230
Armory, Outfit and Other Equipment Capital	3,561,458	833,956	1,857,423	45%	-	-	5,418,881
Fleet Conversion and Capital, and Other Infrastructure	1,474,767	107,880	223,604	48%	750,000	-	2,448,371
Facilities Improvement and Outfitting	517,815	-	-	-	-	-	517,815
<b>Total Expenditures:</b>	<b>\$ 34,300,815</b>	<b>\$ 4,154,030</b>	<b>\$ 13,860,470</b>	<b>30%</b>	<b>\$ 13,724,984</b>	<b>\$ 1,777,475</b>	<b>\$ 63,663,744</b>
Prior Year Fund Carry Forward:	\$ -	\$ 19,383,185	\$ 19,383,185		\$ 10,522,715	\$ 1,797,731	\$ -
Budget Allocation:	53,684,000	5,000,000	5,000,000		5,000,000	-	63,684,000
<b>Accumulated Fund Balance (Carry Forward):</b>	<b>\$ 19,383,185</b>	<b>\$ 20,229,155</b>	<b>\$ 10,522,715</b>		<b>\$ 1,797,731</b>	<b>\$ 20,256</b>	<b>\$ 20,256 *</b>

\* \$20,256 overall contingency/unallocated