



REGULAR

REPORT DATE: September 14, 2023

BOARD MEETING DATE: September 27, 2023

BOARD REPORT # 2023-FIN009

TO: Surrey Police Board

FROM: Finance Committee

FILE: 60540-20-04

SUBJECT: Financial Update – Year-To-Date Expenditures (August 31, 2023)

RECOMMENDATION

The Finance Committee recommends the Surrey Police Board receive this report for information.

PURPOSE

This report presents a summary of 2023 year-to-date expenditures incurred for the period ended August 31, 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	-	-	-	-
TOTAL	\$329,965	\$213,642	\$228,162	\$241,441	\$254,706

Discussions with the City on SPS’s 2023 budget allocation have occurred subsequent to the Province’s direction on the police transition. The City has indicated that SPS has an authorized budget of \$48.75M for 2023.

DISCUSSION

SPS Operations

As of August 31, 2023, year-to-date expenditures (operating and capital) totalled \$45.52M, presented below:

Year-to-Date Expenditures Summary

As of August 31, 2023

	YTD ACTUAL
<i>SPS Operations</i>	
Board Remunerations	62,514
Salaries and Benefits	40,524,982
Other Expenditures	2,430,223
Total SPS Operations	\$ 43,017,719
Capital Expenditures	\$ 2,506,732
TOTAL SPS EXPENDITURES	\$ 45,524,451

Year-to-date, SPS expended \$63K for board remuneration, \$40.52M for employee salaries and benefits, \$2.51M on capital expenditures, and \$2.43M on other operating expenditures. (Appendix I provides a breakdown of expenditures by Bureau.)

We currently have 382 active employees (332 sworn members, 38 regular/permanent civilians, and 12 temporary civilians). Of these employees, 23 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.

SPS Operations include salaries and benefits of \$40.52M, for 359 employees (318 sworn members and 41 civilians) engaged in policing and day-to-day business operating activities.

Other operating expenditures of \$2.43M included \$198K for training courses and seminars; \$546K paid to JIBC for recruit training; \$219K of electronic communications-related expenses; \$159K of travel expenses; \$30K of memberships and professional dues; \$68K for lease and rentals; \$203K for supplies and materials; \$15K for publications and reference materials; \$992K for outsourced services.

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

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

One-Time Policing Transition Fund Summary

As of AUGUST 31, 2023

	TOTAL FUND AVAILABLE	YTD ACTUAL EXPENSES	REMAINING FUND BALANCE
	2023	2023	2023
Project Summary			
One-Time Policing Transition**	\$ 24,383,185	\$ 5,431,800	\$ 18,951,385

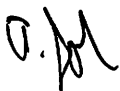
** Total fund available in 2023 includes \$19.383M carried forward from prior years.

Appendix II presents the details of the policing transition project costs related to establishing SPS based on our last financial projection (prepared on June 10, 2023). Year-to-date expenditures as of August 31, 2023, totalled \$5.43M 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 \$1.84M (52% of the 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 \$358K (26% of the 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 \$121K (59% of the 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 the 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 \$171K (61% of the 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 \$1.81M (29% of the projected amount for 2023).
- Armoury, Outfit, and Other Equipment Capital costs are related to firearms, uniforms, personal issue kits, and other specialty equipment for policing; year-to-date expenditures totalled \$956K (51% of the projected amount for 2023).
- Fleet Conversion, 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 \$147K (66% of the 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 waited for a decision/direction on the police transition.



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Chair, Finance Committee

APPENDIX I

Surrey Police Service Year-to-Date Expenditures - AUGUST 31, 2023

	YTD ACTUAL
<i>Surrey Police Board</i>	
Board Remunerations	62,514
Salaries and Benefits	205,492
Other Expenditures	42,911
Surrey Police Board	\$ 310,917
 <i>Office of the Chief Constable</i>	
Salaries and Benefits	1,837,548
Other Expenditures	79,330
Office of the Chief Constable	\$ 1,916,878
 <i>Community Policing Bureau</i>	
Salaries and Benefits	26,129,316
Lower Mainland Integrated Teams	-
Other Expenditures	191,000
Community Policing Bureau	\$ 26,320,316
 <i>Investigative Services Bureau</i>	
Salaries and Benefits	2,246,568
Other Expenditures	30,989
Investigative Services Bureau	\$ 2,277,557
 <i>Support Services Bureau</i>	
Salaries and Benefits	10,106,058
Other Expenditures	2,085,993
Support Services Bureau	\$ 12,192,051
Total Operation Expenditures	\$ 43,017,719
Capital Expenditures	\$ 2,506,732
TOTAL SPS EXPENDITURES	\$ 45,524,451

One-Time Policing Transition Fund*As of August 31, 2023**(Forecasted June 10, 2023)*

	2020 - 2022 Expenditures	Aug YTD Expenditures	2023 Projection	% Spent	2024 Projection	2025 Projection	Total Forecasted Transition Project Cost
Recruitment, Assessment, and Training	\$ 5,834,920	\$ 1,842,313	\$ 3,576,032	52%	\$ 2,540,442	\$ 1,607,975	\$ 13,559,369
Human Resources	1,587,861	358,069	1,395,360	26%	1,306,133	-	4,289,354
Communications and Marketing	918,518	121,375	205,500	59%	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	170,940	280,104	61%	294,109	-	1,641,828
Strategy and Policy	782,059	-	-	-	-	-	782,059
Information Technology Systems and Capital	17,854,328	1,807,049	6,178,102	29%	8,438,800	-	32,471,230
Armory, Outfit and Other Equipment Capital	3,561,458	956,059	1,857,423	51%	-	-	5,418,881
Fleet Conversion, Capital, and Other Infrastructure	1,474,767	146,650	223,604	66%	750,000	-	2,448,371
Facilities Improvement and Outfitting	517,815	-	-	-	-	-	517,815
Total Expenditures:	\$ 34,300,815	\$ 5,431,800	\$ 13,860,470	39%	\$ 13,724,984	\$ 1,777,475	\$ 63,663,744
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
Accumulated Fund Balance (Carry Forward):	\$ 19,383,185	\$ 18,951,385	\$ 10,522,715		\$ 1,797,731	\$ 20,256	\$ 20,256 *

* \$20,256 overall contingency/unallocated