



REGULAR

REPORT DATE: May 23, 2023
BOARD MEETING DATE: May 31, 2023
BOARD REPORT # 2023-FIN004

TO: Surrey Police Board

FROM: Finance Committee

FILE: 60540-20-04

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

RECOMMENDATION

The Finance Committee recommends that 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 April 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	-	-	-	-
TOTAL	\$329,965	\$213,642	\$228,162	\$241,441	\$254,706

Discussions with the City on SPS’s 2023 budget allocation will occur after Council’s decision on Surrey’s policing model, subsequent to the Province’s recommendation on the police transition.

DISCUSSION

SPS Operations

As of April 30, 2023, year-to-date expenditures (operating and capital) totalled \$23.57M, summarized below:

Year-to-Date Expenditures Summary

As of April 30, 2023

	YTD ACTUAL
<i>SPS Operations</i>	
Board Remunerations	30,590
Salaries and Benefits	20,768,834
Lower Mainland Integrated Teams	-
Other Expenditures	873,287
Total SPS Operations	\$ 21,672,711
Capital Expenditures**	\$ 1,899,858
TOTAL SPS EXPENDITURES	\$ 23,572,569

Year-to-date, SPS expended \$31K for board remuneration, \$20.77M for employee salaries and benefits, \$1.90M of capital expenditures, and \$873K of other operating expenditures. (Appendix I provides a breakdown of expenditures by Bureau.)

On April 30, 2023, there were 401 active SPS employees (339 sworn members and 62 civilians). Of these employees, 31 were assigned to temporary positions in recruiting, security clearance, 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 \$20.77M, for 370 employees (329 sworn members and 41 civilians) currently active, engaged in policing and day-to-day business operating activities.

Other operating expenditures of \$873K included: \$49K for training courses and seminars, \$223K paid to JIBC for recruit training; \$125K of communications related expenses; \$50K of travel expenses; \$10K of memberships and professional dues; \$13K for lease and rentals; \$86K for supplies and materials; \$8K for publications and reference materials; \$309K 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 April 30, 2023

	TOTAL FUND AVAILABLE	YTD ACTUAL EXPENSES	REMAINING FUND BALANCE	PROJECTED EXPENDITURES	PROJECTED FUND CARRY FORWARD
	2023	2023	2023	2023	2024
<i>Project Summary</i>					
One-Time Policing Transition**	\$ 24,383,185	\$ 2,667,504	\$ 21,715,681	\$ 23,259,356	\$ 1,123,829

** Total fund available in 2023 includes \$19.383M carried forward from prior years (to be confirmed after the City's financial statement audit).

Appendix II presents the detail on the policing transition project costs, related to establishing SPS, based on our latest financial projection. Year-to-date expenditures as of April 30, 2023, totalled \$2.67M 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 \$855K (15% 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 \$189K (18% 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 \$50K (18% 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 (14% 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 \$99K (27% 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 \$921K (7% 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 \$451K (29% 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 SPS's infrastructure; year-to-date expenditures totalled \$73K (8% 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 a decision/direction on the police transition.

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Chair, Finance Committee

Appendix I Surrey Police Service Year-to-Date Expenditures – April 30, 2023
Appendix II One-Time Policing Transition Fund as of April 30, 2023

APPENDIX I

**Surrey Police Service
Year-to-Date Expenditures - April 30, 2023**

	YTD ACTUAL
<i>Surrey Police Board</i>	
Board Remunerations	30,590
Salaries and Benefits	108,140
Other Expenditures	29,735
Surrey Police Board	\$ 168,465
<i>Office of the Chief Constable</i>	
Salaries and Benefits	984,500
Other Expenditures	42,479
Office of the Chief Constable	\$ 1,026,979
<i>Community Policing Bureau</i>	
Salaries and Benefits	13,278,106
Lower Mainland Integrated Teams	-
Other Expenditures	86,747
Community Policing Bureau	\$ 13,364,853
<i>Investigative Services Bureau</i>	
Salaries and Benefits	1,200,054
Other Expenditures	19,968
Investigative Services Bureau	\$ 1,220,022
<i>Support Services Bureau</i>	
Salaries and Benefits	5,198,034
Other Expenditures	694,358
Support Services Bureau	\$ 5,892,392
Total Operation Expenditures	\$ 21,672,711
Capital Expenditures	\$ 1,899,858
TOTAL SPS EXPENDITURES	\$ 23,572,569

One-Time Policing Transition Fund

As of April 30, 2023

	2020 - 2022 Expenditures	April YTD Expenditures	2023 Projection	% Spent	2024 Projection	Total Projected Transition Project Cost
Recruitment, Assessment, and Training	\$ 5,834,920	\$ 855,083	\$ 5,726,549	15%	\$ 1,477,610	\$ 13,039,079
Human Resources	1,587,861	188,933	1,024,747	18%	727,959	\$ 3,340,567
Communications and Marketing	918,518	50,140	286,042	18%	228,210	\$ 1,432,770
Financial Services	701,474	29,345	212,305	14%	207,000	\$ 1,120,779
Legal	1,067,615	98,868	367,858	27%	330,526	\$ 1,765,999
Strategy and Policy	782,059	-	-	-	-	\$ 782,059
Information Technology Systems and Capital	17,854,328	920,880	12,550,435	7%	2,068,716	\$ 32,473,479
Armory, Outfit and Other Equipment Capital	3,561,458	451,375	1,554,654	29%	-	\$ 5,116,112
Fleet Conversion and Capital, and Other Infrastructure	1,474,767	72,880	889,498	8%	-	\$ 2,364,265
Facilities Improvement and Outfitting	517,815	-	647,268	0%	809,086	\$ 1,974,169
Total Expenditures:	\$ 34,300,815	\$ 2,667,504	\$ 23,259,356	11%	\$ 5,849,107	\$ 63,409,278
Prior Year Fund Carry Forward:	\$ -	\$ 19,383,185	\$ 19,383,185		\$ 1,123,829	\$ -
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	\$ 21,715,681	\$ 1,123,829		\$ 274,722	\$ 274,722 *

* \$274,722 overall contingency/unallocated