



**REGULAR**

**REPORT DATE:** November 24, 2023  
**BOARD MEETING DATE:** November 30, 2023  
**BOARD REPORT #** 2023-R015

**TO:** Surrey Police Board Administrator

**FROM:** Chief Constable

**FILE:** 60550-20-03

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

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**RECOMMENDATION**

The Chief Constable recommends that the Surrey Police Board Administrator receive this report for information.

**PURPOSE**

This report summarizes 2023 year-to-date expenditures incurred up to October 31, 2023.

**BACKGROUND**

Based on our rate of expenditure up to the end of Q3 (September 30th), along with anticipated costs in Q4, the latest financial projection for total 2023 expenditures is presented below:

***2023 Surrey Police Service Financial Projection***

*(as of September 30, 2023)*

	<b>Projected as of Sep.</b>
<b>SPS Operations</b>	
Board Remunerations	\$ 93,771
Salaries and Benefits	64,437,473
Other Expenditures	5,145,336
<b>Total SPS Operations</b>	<b>69,676,580</b>
<b>Capital Expenditures</b>	<b>5,760,097</b>
<b>TOTAL SPS EXPENDITURES</b>	<b>75,436,677</b>

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

<b>SUMMARY</b>	<b>2023 BUDGET</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>	<b>2026 PLAN</b>	<b>2027 PLAN</b>
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 have occurred after the Province's direction on the police transition. The City has indicated that the 2023 budget allocated to SPS remains at \$48.75M; however, it is acknowledged that the amount is based on a financial model to retain the RCMP and wind down SPS.

## DISCUSSION

### SPS Operations

As of October 31, 2023, year-to-date expenditures (operating and capital, not including the Police Transition Project expenditures) totalled \$59.61M (79.0% of projected), presented below:

#### **Year-to-Date Expenditures Summary (Projected vs. Actual)**

*As of October 31, 2023*

	<b>2023 PROJECTED</b>	<b>YTD ACTUAL</b>	<b>% Spent</b>	<b>REMAINING AMOUNTS</b>
<i>SPS Operations</i>				
Board Remunerations	93,771	<b>72,197</b>	77.0%	21,574
Salaries and Benefits	64,437,473	<b>53,017,550</b>	82.3%	11,419,923
Other Expenditures	5,145,336	<b>3,272,936</b>	63.6%	1,872,400
<b>Total SPS Operations</b>	<b>\$ 69,676,580</b>	<b>\$ 56,362,683</b>	80.9%	<b>\$ 13,313,897</b>
<b>Capital Expenditures</b>	<b>\$ 5,760,097</b>	<b>\$ 3,244,012</b>	56.3%	<b>\$ 2,516,085</b>
<b>TOTAL SPS EXPENDITURES</b>	<b>\$ 75,436,677</b>	<b>\$ 59,606,695</b>	79.0%	<b>\$ 15,829,982</b>

Year-to-date, SPS expended \$72K for board remuneration, \$53.02M for employee salaries and benefits, \$3.24M on capital expenditures, and \$3.27M on other operating expenditures. (Appendix I provides a breakdown of spending by Bureau.)

At the end of October, we had 386 active employees (336 sworn members, 39 regular/permanent civilians, and 11 temporary civilians). Of these employees, 20 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 \$53.02M for 366 employees (325 sworn members and 41 civilians) engaged in policing and day-to-day business operations.

Other operating expenditures of \$3.27M included \$262K for training courses and seminars; \$546K paid to JIBC for recruit training; \$273K of electronic communications-related expenses; \$203K of travel expenses (majority of which is training related); \$37K of memberships and professional dues; \$90K for lease and

rentals (vehicles and firearm training range); \$269K for supplies and materials; \$19K for publications and reference materials; \$1.57M for outsourced services.

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

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

**One-Time Policing Transition Fund Summary**

*As of October 31, 2023*

	TOTAL FUND AVAILABLE	YTD ACTUAL EXPENSES	REMAINING FUND BALANCE
	2023	2023	2023
<b>Project Summary</b>			
One-Time Policing Transition**	\$ 24,383,185	\$ 6,823,293	\$ 17,559,892

\*\* 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 forecast (prepared on September 30, 2023). Year-to-date expenditures as of October 31, 2023, totalled \$6.82M of \$24.38M available.

**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. We anticipate this trend to continue for the remainder of the year as stakeholders plan the details of the policing transition.



Norm Lipinski, OOM, LLB, MBA  
Chief Constable

Appendix I Surrey Police Service Year-to-Date Expenditures – October 31, 2023 (Projected vs. Actual)  
Appendix II One-Time Policing Transition Fund as of October 31, 2023

APPENDIX I

**Surrey Police Service  
Year-to-Date Expenditures - October 31, 2023  
(Projected vs. Actual)**

	<b>2023 PROJECTED</b>	<b>YTD ACTUAL</b>	<b>% Spent</b>	<b>REMAINING AMOUNTS</b>
<i>Surrey Police Board</i>				
Board Remunerations	93,771	<b>72,197</b>	77.0%	21,574
Salaries and Benefits	328,238	<b>268,406</b>	81.8%	59,832
Other Expenditures	64,367	<b>48,133</b>	74.8%	16,234
<b>Surrey Police Board</b>	<b>\$ 486,376</b>	<b>\$ 388,736</b>	79.9%	<b>\$ 97,640</b>
<i>Office of the Chief Constable</i>				
Salaries and Benefits	2,931,322	<b>2,372,103</b>	80.9%	559,219
Other Expenditures	268,995	<b>106,907</b>	39.7%	162,088
<b>Office of the Chief Constable</b>	<b>\$ 3,200,317</b>	<b>\$ 2,479,010</b>	77.5%	<b>\$ 721,307</b>
<i>Community Policing Bureau</i>				
Salaries and Benefits	41,623,974	<b>34,301,349</b>	82.4%	7,322,625
Lower Mainland Integrated Teams	-	-	-	-
Other Expenditures	436,500	<b>239,861</b>	55.0%	196,639
<b>Community Policing Bureau</b>	<b>\$ 42,060,474</b>	<b>\$ 34,541,210</b>	82.1%	<b>\$ 7,519,264</b>
<i>Investigative Services Bureau</i>				
Salaries and Benefits	3,544,852	<b>2,924,103</b>	82.5%	620,749
Other Expenditures	196,484	<b>40,411</b>	20.6%	156,073
<b>Investigative Services Bureau</b>	<b>\$ 3,741,336</b>	<b>\$ 2,964,514</b>	79.2%	<b>\$ 776,822</b>
<i>Support Services Bureau</i>				
Salaries and Benefits	16,009,087	<b>13,151,589</b>	82.2%	2,857,498
Other Expenditures	4,178,990	<b>2,837,624</b>	67.9%	1,341,366
<b>Support Services Bureau</b>	<b>\$ 20,188,077</b>	<b>\$ 15,989,213</b>	79.2%	<b>\$ 4,198,864</b>
<b>Total Operation Expenditures</b>	<b>\$ 69,676,580</b>	<b>\$ 56,362,683</b>	80.9%	<b>\$ 13,313,897</b>
<b>Capital Expenditures</b>	<b>\$ 5,760,097</b>	<b>\$ 3,244,012</b>	56.3%	<b>\$ 2,516,085</b>
<b>TOTAL SPS EXPENDITURES</b>	<b>\$ 75,436,677</b>	<b>\$ 59,606,695</b>	79.0%	<b>\$ 15,829,982</b>

**One-Time Policing Transition Fund**

As of October 31, 2023

(Forecasted September 30, 2023)

	2020 - 2022 Expenditures	Oct YTD Expenditures	2023 Forecast	% Spent	2024 Forecast	2025 Forecast	Total Forecasted Transition Project Cost
Recruitment, Assessment, and Training	\$ 5,834,920	\$ 2,339,734	\$ 2,863,935	82%	\$ 3,252,539	\$ 1,607,975	\$ 13,559,369
Human Resources	1,587,861	473,889	567,811	83%	2,133,682	-	4,289,354
Communications and Marketing	918,518	156,910	184,900	85%	226,100	169,500	1,499,018
Financial Services	701,474	29,345	39,127	75%	295,218	-	1,035,819
Legal	1,067,615	216,992	264,761	82%	309,452	-	1,641,828
Strategy and Policy	782,059	-	-	-	-	-	782,059
Information Technology Systems and Capital	17,854,328	2,250,620	3,649,143	62%	10,967,759	-	32,471,230
Armory, Outfit and Other Equipment Capital	3,561,458	1,166,542	1,857,423	63%	-	-	5,418,881
Fleet Conversion, Capital, and Other Infrastructure	1,474,767	189,261	220,600	86%	753,004	-	2,448,371
Facilities Improvement and Outfitting	517,815	-	-	-	-	-	517,815
<b>Total Expenditures:</b>	<b>\$ 34,300,815</b>	<b>\$ 6,823,293</b>	<b>\$ 9,647,700</b>	<b>71%</b>	<b>\$ 17,937,754</b>	<b>\$ 1,777,475</b>	<b>\$ 63,663,744</b>
Prior Year Fund Carry Forward:	\$ -	\$ 19,383,185	\$ 19,383,185		\$ 14,735,485	\$ 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>\$ 17,559,892</b>	<b>\$ 14,735,485</b>		<b>\$ 1,797,731</b>	<b>\$ 20,256</b>	<b>\$ 20,256 *</b>

\* \$20,256 overall contingency/unallocated

- 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 \$2.34M (82% 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 \$474K (83% 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 \$157K (85% of the projected amount for 2023).
- Financial Services expenses include outsourced financial service consultants and personnel to support setting up SPS's finance and payroll systems and databases; year-to-date expenditures totalled \$29K (75% 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 \$217K (82% 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 \$2.25M (62% 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 \$1.17M (63% 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 \$189K (86% of the projected amount for 2023).