



REPORT DATE: September 12, 2024

REGULAR

BOARD MEETING DATE: September 18, 2024

BOARD REPORT # 2024-R016

TO: Surrey Police Board Administrator

FROM: Chief Constable

FILE: 60550-20-03

SUBJECT: Financial Update – Year-To-Date Expenditures (July 31, 2024)

**RECOMMENDATION**

The Chief Constable recommends that the Surrey Police Board (the “Board”) receive this report for information.

**PURPOSE**

This report summarizes 2024 year-to-date expenditures incurred up to July 31, 2024.

**BACKGROUND**

The 2024 Provisional Budget the Board submitted to the City of Surrey Council for funding approval is summarized below and will be used as the reference amount for the budget vs. actual comparisons throughout this report.

**2024 Surrey Police Service Budget Summary**

	Provisional Budget
<b>SPS Operations</b>	
Salaries and Benefits	\$ 102,761,570
Other Operating Expenditures	16,758,285
<b>Total SPS Operations</b>	<b>119,519,855</b>
<b>Equipment/Capital Expenditures</b>	<b>6,636,383</b>
<b>Policing Transition Project Fund*</b>	<b>15,354,815</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 141,511,053</b>

\* In 2020, the City of Surrey ("CoS") committed \$63.68M as a one-time capital project fund for the policing transition. This fund was established to support SPS's initial startup costs and to build the IT infrastructure required by SPS to become the Police of Jurisdiction.

On May 6, 2024, Surrey Council approved a budget of \$221.58M for policing operations to be split between the RCMP and SPS. However, the specific amount/allocation for SPS is not specified.

In addition to a 2024 budget allocation from Surrey Council, the Province of BC has provided direct financial support to SPS. As of the date of this report, Provincial grants to SPS totalled \$4.17M.

The financial summaries below present consolidated SPS expenditures, using data from both the City's and SPS's financial management systems. (Appendix I presents the financial statements generated from SPS's financial management system.)

## DISCUSSION

### SPS Operations

As of July 31, 2024, year-to-date expenditures totalled \$51.61M (36.5% of the total provisional budget), presented below:

#### **2024 Year-to-Date Expenditures Summary (Budget vs. Actual)**

*As July 31, 2024*

	<b>Provisional Budget</b>	<b>YTD Actual</b>	<b>% Spent</b>	<b>Remaining Amounts</b>
<i>SPS Operations</i>				
Salaries and Benefits	\$ 102,761,570	\$ 44,706,277	43.5%	\$ 58,055,293
Lower Mainland Integrated Teams	-	-	-	-
Other Expenditures	16,758,285	3,731,958	22.3%	13,026,327
<b>Total SPS Operations</b>	119,519,855	<b>48,438,235</b>	40.5%	71,081,620
<b>Capital Expenditures</b>	6,636,383	<b>678,832</b>	10.2%	5,957,551
<b>One-Time Policing Transition Fund</b>	15,354,815	<b>2,490,828</b>	16.2%	12,863,987
<b>TOTAL SPS EXPENDITURES</b>	\$ 141,511,053	\$ <b>51,607,895</b>	36.5%	\$ 89,903,158

Year-to-date, SPS has spent \$44.71M on employee salaries and benefits and board remuneration, \$679K on capital expenditures, and \$3.73M on other operating expenditures. (Appendix II provides a breakdown of capital expenditures by category; Appendix III provides a breakdown of other operating expenditures in further detail by Bureau.)

At the end of July, we had 424 active employees: 368 sworn members, 49 regular/permanent civilians, and 7 temporary civilians. Most of the temporary civilians were auxiliary/on-call staff for backfill and various other roles as part of the policing transition; the salaries and benefits of 6 civilians are being allocated to the One-time Policing Transition Project Fund.

SPS Operations include salaries and benefits of \$44.71M for 418 employees (368 sworn members and 50 civilians) engaged in policing and day-to-day business operations.

### One-Time Policing Transition Project Fund

In 2020, the City of Surrey committed \$63.68M to a one-time capital project fund for the policing transition. This fund was established to support SPS's initial startup costs and to build the IT infrastructure required by SPS to become the Police of Jurisdiction. As of the end of 2023, \$43.38M of the \$63.68M committed had been used. Our 2024 Provisional Budget identifies \$15.35M of expenditures related to the transition project fund this year.

As of July 31, 2024, year-to-date expenditures from the transition project fund totalled \$2.49M.

**One-Time Policing Transition Fund Summary**

*As July 31, 2024*

	PROJECTED FUND USE 2024	YTD ACTUAL EXPENSES 2024	REMAINING AMOUNTS 2024
<b><i>Project Summary</i></b>			
One-Time Policing Transition	\$ 15,354,815	\$ <b>2,490,828</b>	\$ 12,863,987

Appendix IV presents the details of the policing transition project costs.

**CONCLUSION**

This report is presented for information.



Norm Lipinski, OOM, LLB, MBA  
Chief Constable

- Appendix I     SPS Financial Management System Financial Statements – As of July 31, 2024
- Appendix II    2024 Capital Expenditure Summary – As of July 31, 2024
- Appendix III   2024 Year-to-Date Operating Line Items – As of July 31, 2024
- Appendix IV    One-time Policing Transition Project Fund Expenditures – As of July 31, 2024



# Statement of Operations

For the period ended July 31, 2024

Jan 24 - Jul 24

## Revenue

Municipal Government Funding	\$500,000.00
Provincial Government Funding	\$4,165,158.01
Interest Earned	29,238.71
Deferred Revenue/Funding	(1,170,058.54)
<b>Total Revenue</b>	<b>3,524,338.18</b>

## Expenses

Salaries and Benefits - Sworn Members	2,742,598.09
Salaries and Benefits - Civilians	210,636.91
Consultants and Professional Services	47,437.50
Justice Institute of BC Recruit Training Fees	500,275.00
Training and Travel	303.80
Service Fees	1,404.67
Software and Application Licences	21,445.76
Supplies and Materials	236.45
<b>Total Expenses</b>	<b>3,524,338.18</b>

**Operating Surplus / (Deficit)**

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## APPENDIX II

### 2024 Capital Expenditure Summary

As of July 31, 2024

	Provisional Budget	YTD Actual	% Spent
<b>Capital/Equipment Category</b>			
Use of Force Equipment - Firearms	\$ 389,443	\$ 176,524	45.3%
Use of Force Equipment - Less Lethal	217,200	9,112	4.2%
Use of Force Equipment - Ammunition Inventory	1,102,000	101,222	9.2%
Personal Issue Equipment - Uniforms	987,620	110,496	11.2%
Personal Issue Equipment - Equipment	889,670	99,920	11.2%
Specialty Equipment - Operational	250,200	29,072	11.6%
Specialty Equipment - Training	219,250	42,365	19.3%
Facilities - Training Centre	106,000	110,120	103.9%
Fleet	2,475,000	-	-
<b>TOTAL CAPITAL Expenditures</b>	<b>\$ 6,636,383</b>	<b>\$ 678,832</b>	<b>10.2%</b>

## APPENDIX III

### SURREY POLICE SERVICE 2024 Year-to-Date Operating Line Items (Budget vs. Actual) As of July 31, 2024

	Police Board	Office of the Chief Constable	Community Policing	Investigative Services	Support Services	2024 YTD Total	2024 Provisional Budget	% Spent
<b>SALARIES AND BENEFITS</b>	\$ 287,352	\$ 2,009,707	\$ 28,653,334	\$ 3,591,610	\$ 10,164,276	\$ 44,706,277	\$ 102,761,570	43.5%
Recruitment	-	-	-	-	558,117	558,117	1,201,719	46.4%
Consultants and Contractors	130,734	79,322	34,650	552	917,420	1,162,678	2,021,529	57.5%
Communications and Public Engagement	6,785	98,204	-	-	98,537	203,525	535,500	38.0%
Telecommunications	285	10,985	68,501	5,186	207,965	292,922	1,088,225	26.9%
IT Maintenance	-	441	-	-	393,904	394,346	5,384,617	7.3%
Other Services and Expenditures	130	5,065	197	93	17,749	23,233	80,194	29.0%
Insurance	-	-	-	-	81,880	81,880	206,500	39.7%
Training and Travel	3,508	16,380	9,404	7,320	294,157	330,769	1,269,830	26.0%
Meetings and Events	130	6,049	490	686	5,152	12,507	135,305	9.2%
Professional Dues and Memberships Fees	2,133	12,740	5,474	7,417	8,668	36,432	58,406	62.4%
Leases and Rentals	-	-	-	-	52,005	52,005	558,670	9.3%
Repairs and Maintenance	-	1,409	29,155	5,167	70,656	106,388	1,806,900	5.9%
Supplies and Materials	1,364	45,697	88,629	3,891	337,576	477,156	2,410,889	19.8%
<b>OPERATING COSTS</b>	\$ 145,069	\$ 276,292	\$ 236,500	\$ 30,312	\$ 3,043,786	\$ 3,731,958	\$ 16,758,284	22.3%
<b>TOTAL OPERATING EXPENDITURES</b>	\$ 432,421	\$ 2,285,999	\$ 28,889,834	\$ 3,621,922	\$ 13,208,062	\$ 48,438,235	\$ 119,519,854	40.5%

**One-Time Policing Transition Fund**

*As July 31, 2024*

	2020 - 2023 Expenditures	July YTD Expenditures
Recruitment, Assessment, and Training	\$ 8,649,594	\$ 65,159
Human Resources	2,194,521	244,671
Communications and Marketing	1,122,113	79,935
Financial Services	730,819	59,090
Legal	1,364,780	27,092
Strategy and Policy	782,059	-
Information Technology Systems and Capital	21,326,146	1,360,456
Armory, Outfit and Other Equipment Capital	4,786,189	191,623
Fleet Conversion, Capital, and Other Infrastructure	1,904,758	462,802
Facilities Improvement and Outfitting	517,815	-
<b>Total Expenditures:</b>	<b>\$ 43,378,794</b>	<b>\$ 2,490,828</b>

- Recruitment, Assessment, and Training expenses include costs incurred to support the recruiting surge for SPS, security clearances, candidate testing and assessment, and new hire training.
- Human Resources expenses include personnel in various temporary roles (auxiliary staff) and HR consultant(s) to support establishing SPS.
- Communications and Marketing expenditures include consultants managing public relations and brand development expenses to support the establishment of SPS.
- Financial Services expenses include outsourced financial service consultants and personnel to support setting up SPS’s finance and payroll systems and databases.
- Legal expenditures are specialized legal services for matters related to collective bargaining, human resources, trademarks, and other establishment legal costs.
- Strategy and Policy expenditures were for initiatives during the earlier stages of the transition and special projects to determine POJ requirements.
- Information Technology Systems and Capital costs include setting up IT operating systems, hiring external consultants for project management, building our technology infrastructure (data centre, dispatch systems, administrative systems), and procuring related assets.
- Armoury, Outfit, and Other Equipment Capital costs are related to firearms, uniforms, personal issue kits, and other specialty equipment for policing.
- 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.
- Facilities Improvement and Outfitting expenditures include retrofit and furniture costs for SPS to occupy facilities owned or leased by the City of Surrey.