



REPORT DATE: July 25, 2024

BOARD MEETING DATE: July 31, 2024

BOARD REPORT # 2024-R014

REGULAR

TO: Surrey Police Board Administrator

FROM: Chief Constable

FILE: 60550-20-03

SUBJECT: Financial Update – Year-To-Date Expenditures (June 30, 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 June 30, 2024.

BACKGROUND

The 2024 Provisional budget the board approved and 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
SPS Operations	
Salaries and Benefits	\$ 102,761,570
Other Operating Expenditures	16,758,285
Total SPS Operations	119,519,855
Equipment/Capital Expenditures	6,636,383
Policing Transition Project Fund*	15,354,815
TOTAL EXPENDITURES	\$141,511,053

* 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 to move the police transition forward. 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 Statement of Operations from SPS's financial management system.)

DISCUSSION

SPS Operations

As of June 30, 2024, year-to-date expenditures totalled \$43.88M (31.0% of the total provisional budget), presented below:

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

As June 30, 2024

	Provisional Budget	YTD Actual	% Spent	Remaining Amounts
<i>SPS Operations</i>				
Salaries and Benefits	\$ 102,761,570	\$ 38,357,185	37.3%	\$ 64,404,385
Other Expenditures	16,758,285	3,032,825	18.1%	13,725,460
Total SPS Operations	119,519,855	41,390,010	34.6%	78,129,845
Capital Expenditures	6,636,383	386,243	5.8%	6,250,140
One-Time Policing Transition Fund	15,354,815	2,106,384	13.7%	13,248,431
TOTAL SPS EXPENDITURES	\$ 141,511,053	\$ 43,882,637	31.0%	\$ 97,628,416

Year-to-date, SPS has spent \$38.36M on employee salaries and benefits and board remuneration, \$386K on capital expenditures, and \$3.03M 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 June, we had 420 active employees: 371 sworn members, 42 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 \$38.36M for 414 employees (371 sworn members and 43 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 June 30, 2024, year-to-date expenditures from the transition project fund totalled \$2.11M

One-Time Policing Transition Fund Summary

As June 30, 2024

	PROJECTED FUND USE	YTD ACTUAL EXPENSES	REMAINING AMOUNTS
	2024	2024	2024
Project Summary			
One-Time Policing Transition	\$ 15,354,815	\$ 2,106,384	\$ 13,248,431

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 Statement of Operations (SPS Financial Management System) – June 30, 2024
- Appendix II 2024 Capital Expenditure Summary – As of June 30, 2024
- Appendix III 2024 Year-to-Date Operating Line Items (Budget vs. Actual) – As of June 30, 2024
- Appendix IV One-time Policing Transition Project Fund Expenditures – As of June 30, 2024



Statement of Operations

For the period ended June 30, 2024

Jan 24 - Jun 24

Revenue

Provincial Government Funding	\$4,165,158.01
Interest Earned	20,384.40
Deferred Revenue/Funding	(1,346,576.19)
Total Revenue	2,838,966.22

Expenses

Salaries and Benefits - Sworn Members	2,114,944.05
Salaries and Benefits - Civilians	138,982.72
Consultants and Contractors	47,227.50
Training and Travel	106.60
Justice Institute of BC - Recruit Fees	500,275.00
Recruiting	13,959.34
Office Supplies	236.45
Delivery and Postage	183.52
Service Fees	1,217.15
Information Management and Technology	1,449.49
Total Expenses	2,818,581.82

Operating Surplus / (Deficit)	\$20,384.40
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APPENDIX II

2024 Capital Expenditure Summary*As of June 30, 2024*

	Provisional Budget	YTD Actual	% Spent
Capital/Equipment Category			
Use of Force Equipment - Firearms	\$ 389,443	\$ 83,439	21.4%
Use of Force Equipment - Less Lethal	217,200	9,112	-
Use of Force Equipment - Ammunition Inventory	1,102,000	-	-
Personal Issue Equipment - Uniforms	987,620	89,129	9.0%
Personal Issue Equipment - Equipment	889,670	52,544	5.9%
Specialty Equipment - Operational	250,200	29,072	11.6%
Specialty Equipment - Training	219,250	40,350	18.4%
Facilities - Training Centre	106,000	82,598	77.9%
Fleet	2,475,000	-	-
TOTAL CAPITAL Expenditures	\$ 6,636,383	\$ 386,243	5.8%

APPENDIX III

SURREY POLICE SERVICE 2024 Year-to-Date Operating Line Items (Budget vs. Actual) As of June 30, 2024

	Police Board	Office of the Chief Constable	Community Policing	Investigative Services	Support Services	2024 YTD Total	2024 Provisional Budget	% Spent
SALARIES AND BENEFITS	\$ 252,693	\$ 1,734,677	\$ 24,374,761	\$ 3,088,175	\$ 8,906,879	\$ 38,357,185	\$ 102,761,570	37.3%
Recruitment	-	-	-	-	553,002	553,002	1,201,719	46.0%
Consultants and Contractors	110,811	65,682	33,349	552	681,871	892,265	2,021,529	44.1%
Communications and Public Engagement	6,785	89,455	-	-	83,927	180,167	535,500	33.6%
Telecommunications	244	10,161	58,765	4,484	149,912	223,567	1,088,225	20.5%
IT Maintenance	-	1,594	-	-	262,759	264,354	5,384,617	4.9%
Other Services and Expenditures	130	3,304	360	93	10,130	14,017	80,194	17.5%
Insurance	-	-	-	-	81,880	81,880	206,500	39.7%
Training and Travel	3,383	12,893	8,523	5,871	252,601	283,270	1,269,830	22.3%
Meetings and Events	130	6,049	490	163	4,783	11,614	135,305	8.6%
Professional Dues and Memberships Fees	2,133	11,266	5,474	7,417	8,668	34,957	58,406	59.9%
Leases and Rentals	-	-	-	-	35,949	35,949	558,670	6.4%
Repairs and Maintenance	-	1,409	28,904	5,167	43,446	78,926	1,806,900	4.4%
Supplies and Materials	1,295	34,463	62,178	4,720	276,201	378,857	2,410,889	15.7%
OPERATING COSTS	\$ 124,910	\$ 236,277	\$ 198,043	\$ 28,467	\$ 2,445,128	\$ 3,032,825	\$ 16,758,285	18.1%
TOTAL OPERATING EXPENDITURES	\$ 377,603	\$ 1,970,954	\$ 24,572,804	\$ 3,116,641	\$ 11,352,007	\$ 41,390,010	\$ 119,519,855	34.6%

One-Time Policing Transition Fund

As June 30, 2024

	2020 - 2023 Expenditures	June YTD Expenditures
Recruitment, Assessment, and Training	\$ 8,649,594	\$ 49,991
Human Resources	2,194,521	184,700
Communications and Marketing	1,122,113	65,372
Financial Services	730,819	49,163
Legal	1,364,780	27,092
Strategy and Policy	782,059	-
Information Technology Systems and Capital	21,326,146	1,150,831
Armory, Outfit and Other Equipment Capital	4,786,189	174,701
Fleet Conversion, Capital, and Other Infrastructure	1,904,758	404,534
Facilities Improvement and Outfitting	517,815	-
Total Expenditures:	\$ 43,378,794	\$ 2,106,384

- 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.