



REPORT DATE: October 23, 2024

REGULAR

BOARD MEETING DATE: October 29, 2024

BOARD REPORT # 2024-R017

TO: Surrey Police Board Administrator

FROM: Chief Constable

FILE: 60550-20-03

SUBJECT: Financial Update – Year-To-Date Expenditures (September 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 September 30, 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
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. 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 September 30, 2024, year-to-date expenditures totalled \$70.87M (50.1% of the total provisional budget), presented below:

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

As of September 30, 2024

	Provisional Budget	YTD Actual	% Spent	Remaining Amounts
<i>SPS Operations</i>				
Salaries and Benefits	\$ 102,761,570	\$ 61,295,407	59.7%	\$ 41,466,163
Other Expenditures	16,758,285	5,466,469	32.6%	11,291,816
Total SPS Operations	119,519,855	66,761,876	55.9%	52,757,979
Capital Expenditures	6,636,383	1,121,801	16.9%	5,514,582
One-Time Policing Transition Fund	15,354,815	2,988,592	19.5%	12,366,223
TOTAL SPS EXPENDITURES	\$ 141,511,053	\$ 70,872,269	50.1%	\$ 70,638,784

Year-to-date, SPS has spent \$61.30M on employee salaries and benefits and board remuneration, \$1.12M on capital expenditures, and \$5.47M 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 September, we had 472 active employees: 411 sworn members, 54 regular/permanent civilians, and 7 temporary civilians. The temporary civilians were auxiliary/on-call staff for backfill and various other roles as part of the policing transition; their salaries and benefits are allocated to the One-time Policing Transition Project Fund.

SPS Operations include salaries and benefits of \$61.30M for 465 employees (411 sworn members and 54 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 September 30, 2024, year-to-date expenditures from the transition project fund totalled \$2.99M.

One-Time Policing Transition Fund Summary

As of September 30, 2024

	PROJECTED FUND USE	YTD ACTUAL EXPENSES	REMAINING AMOUNTS
	2024	2024	2024
<i>Project Summary</i>			
One-Time Policing Transition	\$ 15,354,815	\$ 2,988,592	\$ 12,366,223

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



Statement of Operations

For the period ended September 30, 2024

Jan 24 - Sep 24

Revenue

Provincial Government Funding	\$4,165,158.01
Municipal Government Funding	2,500,000.00
Training and Course Fees	3,600.00
Interest Earned	39,416.05
Deferred Revenue/Funding	(826,106.42)
Total Revenue	5,882,067.64

Expenses

Salaries and Benefits - Sworn Members	4,701,896.22
Salaries and Benefits - Civilians	605,916.73
Consultants and Professional Services	47,437.50
Justice Institute of BC Recruit Training Fees	500,275.00
Training and Travel	1,697.69
Service Fees	1,414.17
Software and Application Licences	23,193.88
Supplies and Materials	236.45
Total Expenses	5,882,067.64

Operating Surplus / (Deficit)

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APPENDIX II

2024 Capital Expenditure Summary

As of September 30, 2024

	Provisional Budget	YTD Actual	% Spent
Capital/Equipment Category			
Use of Force Equipment - Firearms	\$ 389,443	\$ 216,917	55.7%
Use of Force Equipment - Less Lethal	217,200	9,112	4.2%
Use of Force Equipment - Ammunition Inventory	1,102,000	178,251	16.2%
Personal Issue Equipment - Uniforms	987,620	170,662	17.3%
Personal Issue Equipment - Equipment	889,670	276,222	31.1%
Specialty Equipment - Operational	250,200	95,672	38.2%
Specialty Equipment - Training	219,250	49,920	22.8%
Facilities - Training Centre	106,000	125,045	118.0%
Fleet	2,475,000	-	-
TOTAL CAPITAL EXPENDITURES	\$ 6,636,383	\$ 1,121,801	16.9%

APPENDIX III

SURREY POLICE SERVICE 2024 Year-to-Date Operating Line Items (Budget vs. Actual) As of September 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	\$ 392,304	\$ 2,700,423	\$ 39,528,823	\$ 4,934,750	\$ 13,739,105	\$ 61,295,407	\$ 102,761,570	59.6%
Recruitment	-	-	4,200	-	891,668	895,868	1,201,719	74.5%
Consultants and Contractors	135,334	110,983	35,057	552	1,600,116	1,882,042	2,021,529	93.1%
Communications and Public Engagement	6,785	102,798	-	-	155,613	265,197	535,500	49.5%
Telecommunications	366	12,615	88,018	6,599	253,875	361,472	1,088,225	33.2%
IT Maintenance	-	2,836	-	-	615,404	618,239	5,384,618	11.5%
Other Services and Expenditures	214	7,523	497	93	25,345	33,673	80,194	42.0%
Insurance	-	-	-	-	81,880	81,880	206,500	39.7%
Training and Travel	6,641	34,732	9,470	11,560	360,388	422,791	1,269,830	33.3%
Meetings and Events	130	6,322	490	686	6,149	13,777	135,305	10.2%
Professional Dues and Memberships Fees	2,133	12,740	5,474	7,417	9,788	37,552	58,406	64.3%
Leases and Rentals	-	-	10	10	71,437	71,457	558,670	12.8%
Repairs and Maintenance	-	1,409	29,451	5,167	94,157	130,184	1,806,900	7.2%
Supplies and Materials	1,364	54,457	107,779	7,316	481,421	652,337	2,410,889	27.1%
OPERATING COSTS	\$ 152,967	\$ 346,415	\$ 280,446	\$ 39,400	\$ 4,647,241	\$ 5,466,469	\$ 16,758,285	32.6%
TOTAL OPERATING EXPENDITURES	\$ 545,271	\$ 3,046,838	\$ 39,809,269	\$ 4,974,150	\$ 18,386,346	\$ 66,761,876	\$ 119,519,855	55.9%

One-Time Policing Transition Fund

As of September 30, 2024

	2020 - 2023 Expenditures	SEP YTD Expenditures
Recruitment, Assessment, and Training	\$ 8,649,594	\$ 86,769
Human Resources	2,194,521	345,109
Communications and Marketing	1,122,113	105,345
Financial Services	730,819	70,015
Legal	1,364,780	27,092
Strategy and Policy	782,059	-
Information Technology Systems and Capital	21,326,146	1,610,156
Armory, Outfit and Other Equipment Capital	4,786,189	276,522
Fleet Conversion, Capital, and Other Infrastructure	1,904,758	467,584
Facilities Improvement and Outfitting	517,815	-
Total Expenditures:	\$ 43,378,794	\$ 2,988,592

- 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.