



REGULAR

REPORT DATE: November 18, 2024
BOARD MEETING DATE: November 27, 2024
BOARD REPORT # 2024-R019

TO: Surrey Police Board Administrator

FROM: Chief Constable

FILE: 60550-20-03

SUBJECT: Financial Update – Year-To-Date Expenditures (October 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 October 31, 2024.

BACKGROUND

The 2024 Provisional Budget the Board submitted to the City of Surrey Council for funding approval is summarized below.

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 collaboration with City staff, SPS's Financial Services Section has developed a new financial forecast as of October, which provides projected total expenditures to the end of the year. The new forecast is used as the reference amount for the forecast vs. actual comparisons for this report.

In addition to funding from the City of Surrey, the Province of BC has provided direct financial support to SPS during the year. As of the date of this report, Provincial grants to SPS totalled \$4.17M (Please refer to Appendix I for more details on funding/revenue sources.)

DISCUSSION

SPS Operations

As of October 31, 2024, year-to-date expenditures totalled \$77.11M (approximately 69% of total expenditures forecasted), presented below:

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

As of October 31, 2024

	Provisional Budget	2024 Forecast	YTD Actual	2024 Forecast	
				% Spent	Remaining Amounts
SPS Operations					
Salaries and Benefits	\$102,761,570	\$ 85,948,079	\$69,153,283	80%	\$ 16,794,796
Other Expenditures	16,758,285	13,111,771	7,008,898	53%	6,102,873
	119,519,855	99,059,850	76,162,181	77%	22,897,669
Capital Expenditures	6,636,383	6,636,383	1,927,222	29%	4,709,161
Less: Other Funding/Revenues	-	(4,222,513)	(4,212,290)	100%	(10,223)
Total SPS Operations and Capital	126,156,238	101,473,720	73,877,113	73%	27,596,607
One-Time Policing Transition Fund	15,354,815	10,305,206	3,232,285	31%	7,072,921
TOTAL SPS EXPENDITURES	\$141,511,053	\$111,778,926	\$77,109,398	69%	\$ 34,669,528

Year-to-date, SPS has spent \$69.15M on employee salaries and benefits and board remuneration, \$1.93M on capital expenditures, and \$7.01M on other operating expenditures. (Appendix I provides a list of itemized operating and capital expenditures, and Appendix II presents total operating expenditures by Bureau.)

At the end of October, we had 508 active employees: 441 sworn members, 60 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 \$69.15M for 501 employees (441 sworn members and 60 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 had been used. Our

recent financial forecast projects \$10.31M of expenditures from the transition project fund this year. As of October 31, 2024, year-to-date expenditures from the transition project fund totalled \$3.23M.

One-Time Policing Transition Fund Summary

As of October 31, 2024

	Forecasted Fund Use 2024	YTD Actual Expenditures 2024	Remaining Amount 2024
Project Summary			
One-Time Policing Transition	\$ 10,305,206	\$ 3,232,285	\$ 7,072,921

Appendix III 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 Revenues and Expenditures – October 31, 2024
- Appendix II Statement of Operating Expenditures by Bureau – October 31, 2024
- Appendix III One-time Policing Transition Project Fund Expenditures – October 31, 2024



Statement of Revenues and Expenditures

For the period ended October 31, 2024

	Jan 24 - Oct 24
Revenues	
City of Surrey Funding	\$75,113,732.47
Provincial Government Funding	4,165,158.01
Training and Course Fees	3,600.00
Interest Earned	43,531.96
Deferred Revenue/Funding	(1,236,619.50)
Total Revenues	78,089,402.94
Operating Expenditures	
Salaries and Benefits	69,153,282.78
Consultants and Professional Services	2,419,939.68
Justice Institute of BC Recruit Training Fees	872,833.49
Training and Travel	666,173.51
Other/External Police Agency Support	3,146.34
Brand Development and Advertising	194,338.28
Events and Meetings	18,317.58
Facilities Operating Expenses	36,506.30
Leases and Rental	77,695.16
Memberships and Professional Dues	41,055.88
Other Expenditures	588,481.83
Risk Management and Insurance	81,880.00
Repairs and Maintenance	148,271.41
Service Fees	5,412.67
Software and Application Licences	702,839.61
Technology System Levies	38,304.75
Telecommunications/Telephony	399,883.23
Supplies and Materials	713,818.87
Total Operating Expenditures	76,162,181.37
Equipment, Inventory and Capital Expenditures	
IT Hardware/Equipment	503,722.25
Personal Issue Equipment - Policing Gear	285,130.98
Personal Issue Equipment - Uniforms	325,211.95
Specialty Equipment - Operational	96,481.41
Specialty Equipment - Training	100,305.27
Use of Force Equipment - Ammunition	214,240.75
Use of Force Equipment - Firearms	267,971.80
Use of Force Equipment - Non-Lethal	9,112.12
Leasehold Improvements/Renovations	125,045.04
Total Equipment, Inventory and Capital Expenditures	1,927,221.57
Total Expenditures	78,089,402.94
Surplus / (Deficit)	\$-



Statement of Operating Expenditures by Bureau

For the period ended October 31, 2024

	Police Board	Office of the Chief Constable	Community Policing Bureau	Investigative Services Bureau	Corporate Services Bureau	Jan 24 - Oct 24 Total
Operating Expenditures						
Salaries and Benefits	\$430,376.62	\$2,979,862.41	\$44,460,823.28	\$5,613,700.05	\$15,668,520.42	\$69,153,282.78
Consultants and Professional Services	142,518.55	284,674.28	35,256.71	2,697.55	1,954,792.59	2,419,939.68
Justice Institute of BC Recruit Training Fees	-	-	-	-	872,833.49	872,833.49
Training and Travel	9,627.17	42,026.04	21,931.44	21,843.14	570,745.72	666,173.51
Other/External Police Agency Support	-	-	-	-	3,146.34	3,146.34
Brand Development and Advertising	-	45,124.28	-	-	149,214.00	194,338.28
Events and Meetings	129.58	10,724.53	489.93	686.24	6,287.30	18,317.58
Facilities Operating Expenses	-	-	-	-	36,506.30	36,506.30
Leases and Rental	-	-	10.00	10.00	77,675.16	77,695.16
Memberships and Professional Dues	2,132.82	15,061.49	5,473.62	7,416.58	10,971.37	41,055.88
Other Expenditures	20.00	927.84	543.30	93.00	586,897.69	588,481.83
Risk Management and Insurance	-	-	-	-	81,880.00	81,880.00
Repairs and Maintenance	-	1,409.23	29,849.96	5,167.25	111,844.97	148,271.41
Service Fees	194.47	1,290.01	-	-	3,928.19	5,412.67
Software and Application Licences	-	6,262.66	-	-	696,576.95	702,839.61
Technology System Levies	-	-	-	-	38,304.75	38,304.75
Telecommunications/Telephony	365.94	12,623.21	88,043.37	6,598.69	292,252.02	399,883.23
Supplies and Materials	2,364.24	66,934.83	109,850.91	7,629.44	527,039.45	713,818.87
Total Operating Expenditures	\$587,729.39	\$3,466,920.81	\$44,752,272.52	\$5,665,841.94	\$21,689,416.71	\$76,162,181.37

Appendix III

One-Time Policing Transition Fund

As of October 31, 2024

	2020 - 2023 Expenditures	2024 YTD Expenditures	2024 Forecast	% Spent
Recruitment, Assessment, and Training	\$ 8,649,594	\$ 105,656	\$ 127,802	83%
Human Resources	2,194,521	389,428	493,689	79%
Communications and Marketing	1,122,113	118,380	155,488	76%
Financial Services	730,819	92,055	115,525	80%
Legal	1,364,780	27,092	44,702	61%
Strategy and Policy	782,059	-	-	-
Information Technology Systems and Capital	21,326,146	1,610,768	8,204,992	20%
Armory, Outfit and Other Equipment Capital	4,786,189	356,018	399,890	89%
Fleet Conversion, Capital, and Other Infrastructure	1,904,758	532,888	763,118	70%
Facilities Improvement and Outfitting	517,815	-	-	-
Total Expenditures:	\$ 43,378,794	\$ 3,232,285	\$ 10,305,206	31%

- 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.