



REGULAR

REPORT DATE: January 16, 2024

BOARD MEETING DATE: January 19, 2024

BOARD REPORT # 2024-R002

TO: Surrey Police Board Administrator

FROM: Chief Constable

FILE: 60550-20-03

SUBJECT: Financial Update – Year-To-Date Expenditures (November 30, 2023)

RECOMMENDATION

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

PURPOSE

This report summarizes 2023 year-to-date expenditures incurred up to November 30, 2023.

BACKGROUND

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

2023 Surrey Police Service Financial Projection

(as of September 30, 2023)

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

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

SUMMARY	2023 BUDGET	2024 PLAN	2025 PLAN	2026 PLAN	2027 PLAN
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	-	-	-	-
TOTAL	\$329,965	\$213,642	\$228,162	\$241,441	\$254,706

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 November 30, 2023, year-to-date expenditures (operating and capital, not including the Police Transition Project expenditures) totalled \$65.95M (87.4% of projected), presented below:

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

As of November 30, 2023

	2023 PROJECTED	YTD ACTUAL	% Spent	REMAINING AMOUNTS
<i>SPS Operations</i>				
Board Remunerations	93,771	80,918	86.3%	12,853
Salaries and Benefits	64,437,473	58,009,983	90.0%	6,427,490
Other Expenditures	5,145,336	3,529,311	68.6%	1,616,025
Total SPS Operations	\$ 69,676,580	\$ 61,620,212	88.4%	\$ 8,056,368
Capital Expenditures	\$ 5,760,097	\$ 4,334,079	75.2%	\$ 1,426,018
TOTAL SPS EXPENDITURES	\$ 75,436,677	\$ 65,954,291	87.4%	\$ 9,482,386

Year-to-date, SPS expended \$81K for board remuneration, \$58.01M for employee salaries and benefits, \$4.33M on capital expenditures, and \$3.53M on other operating expenditures. (Appendix I provides a breakdown of spending by Bureau.)

At the end of November, we had 384 active employees (336 sworn members, 37 regular/permanent civilians, and 11 temporary civilians). Of these employees, 21 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 \$58.01M for 363 employees (324 sworn members and 39 civilians) engaged in policing and day-to-day business operations.

Other operating expenditures of \$3.53M included \$298K for training courses and seminars; \$546K paid to JIBC for recruit training; \$320K of electronic communications-related expenses; \$240K of travel expenses (majority of which is training related); \$38K of memberships and professional dues; \$100K for lease and

rentals (vehicles and shooting range); \$296K for supplies and materials; \$20K for publications and reference materials; \$1.67M for outsourced services.

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

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

One-Time Policing Transition Fund Summary

As of November 30, 2023

	TOTAL FUND AVAILABLE	YTD ACTUAL EXPENSES	REMAINING FUND BALANCE
	2023	2023	2023
<i>Project Summary</i>			
One-Time Policing Transition**	\$ 24,383,185	\$ 7,286,390	\$ 17,096,795

*** 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 November 30, 2023, totalled \$7.29M 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.



Norm Lipinski, OOM, LLB, MBA
Chief Constable

- Appendix I Surrey Police Service Year-to-Date Expenditures – November 30, 2023 (Projected vs. Actual)
- Appendix II One-Time Policing Transition Fund as of November 30, 2023

Surrey Police Service
Year-to-Date Expenditures - November 30, 2023
(Projected vs. Actual)

	2023 PROJECTED	YTD ACTUAL	% Spent	REMAINING AMOUNTS
<i>Surrey Police Board</i>				
Board Remunerations	93,771	80,918	86.3%	12,853
Salaries and Benefits	328,238	294,627	89.8%	33,611
Other Expenditures	64,367	64,720	100.6%	(354)
Surrey Police Board	\$ 486,376	\$ 440,265	90.5%	\$ 46,111
<i>Office of the Chief Constable</i>				
Salaries and Benefits	2,931,322	2,580,429	88.0%	350,893
Other Expenditures	268,995	128,230	47.7%	140,765
Office of the Chief Constable	\$ 3,200,317	\$ 2,708,659	84.6%	\$ 491,658
<i>Community Policing Bureau</i>				
Salaries and Benefits	41,623,974	37,527,467	90.2%	4,096,507
Lower Mainland Integrated Teams	-	-	-	-
Other Expenditures	436,500	272,822	62.5%	163,678
Community Policing Bureau	\$ 42,060,474	\$ 37,800,289	89.9%	\$ 4,260,185
<i>Investigative Services Bureau</i>				
Salaries and Benefits	3,544,852	3,226,415	91.0%	318,437
Other Expenditures	196,484	41,714	21.2%	154,770
Investigative Services Bureau	\$ 3,741,336	\$ 3,268,129	87.4%	\$ 473,207
<i>Support Services Bureau</i>				
Salaries and Benefits	16,009,087	14,381,045	89.8%	1,628,042
Other Expenditures	4,178,990	3,021,825	72.3%	1,157,165
Support Services Bureau	\$ 20,188,077	\$ 17,402,870	86.2%	\$ 2,785,207
Total Operation Expenditures	\$ 69,676,580	\$ 61,620,212	88.4%	\$ 8,056,368
Capital Expenditures	\$ 5,760,097	\$ 4,334,079	75.2%	\$ 1,426,018
TOTAL SPS EXPENDITURES	\$ 75,436,677	\$ 65,954,291	87.4%	\$ 9,482,386

One-Time Policing Transition Fund

As of November 30, 2023

(Forecasted September 30, 2023)

	2020 - 2022 Expenditures	Nov YTD Expenditures	2023 Forecast	% Spent	2024 Forecast	2025 Forecast	Total Forecasted Transition Project Cost
Recruitment, Assessment, and Training	\$ 5,834,920	\$ 2,513,317	\$ 2,863,935	88%	\$ 3,252,539	\$ 1,607,975	\$ 13,559,369
Human Resources	1,587,861	530,338	567,811	93%	2,133,682	-	4,289,354
Communications and Marketing	918,518	171,925	184,900	93%	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	257,079	264,761	97%	309,452	-	1,641,828
Strategy and Policy	782,059	-	-	-	-	-	782,059
Information Technology Systems and Capital	17,854,328	2,397,975	3,649,143	66%	10,967,759	-	32,471,230
Armory, Outfit and Other Equipment Capital	3,561,458	1,177,150	1,857,423	63%	-	-	5,418,881
Fleet Conversion, Capital, and Other Infrastructure	1,474,767	209,261	220,600	95%	753,004	-	2,448,371
Facilities Improvement and Outfitting	517,815	-	-	-	-	-	517,815
Total Expenditures:	\$ 34,300,815	\$ 7,286,390	\$ 9,647,700	76%	\$ 17,937,754	\$ 1,777,475	\$ 63,663,744
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
Accumulated Fund Balance (Carry Forward):	\$ 19,383,185	\$ 17,096,795	\$ 14,735,485		\$ 1,797,731	\$ 20,256	\$ 20,256 *

* \$20,256 overall contingency/unallocated