SURREY POLICE BOARD

Special Meeting Agenda

Venue: Virtual VIA TEAMS
Date: September 10, 2026
Time: 9:00 AM

ITEM	PRESENTER
A. CALL TO ORDER	Chair

The Surrey Police Board recognizes that our work takes place on the ancestral, traditional, and unceded territories of the Coast Salish Peoples.

B. DECLARATION OF CONFLICTS	Chair
C. ADOPTIONS	Chair
1. Adoption of the Agenda – September 10, 2026	
D. CONSENT ITEM	
1. Year to Date Expenditures – July 31, 2026 Report 2026-FIN013 – FOR INFORMATION	Director Duncan
E. MOTION TO HOLD A MEETING IN A CLOSED SESSION	Chair

THAT the Surrey Police Board adjourn the public portion of the special meeting to move to a closed session to discuss the following matters in accordance with *Police Act,* section 69 (2) (b) of the *Police Act:*

F. REPORTS – CLOSED BOARD	
2. Contract Award for Acquisition of Mobile Radios Report 2026-FIN014 – FOR DECISION	Director Duncan
3. Contract Award for Acquisition of Soft and Hard Body Armour Report 2026-FIN015 – FOR DECISION	Director Duncan
4. Contract Award for Janitorial Services Report 2026-FIN016 – FOR DECISION	Director Duncan
5. Contract Award for Branded Promotional Merchandise Report 2026-FIN017 – FOR DECISION	Director Duncan
G. ADJOURNMENT	Chair

BOARD REPORT

REGULAR

REPORT DATE:	September 7, 2026
BOARD MEETING DATE:	September 10, 2026
BOARD REPORT #	2026-FIN013

TO: **Surrey Police Board**

FROM: **Finance and Risk Committee** FILE: **60540-20-04**

SUBJECT: **Financial Update – Year-to-Date Expenditures (July 31, 2026)**

This report is FOR INFORMATION.

EXECUTIVE SUMMARY

- As of July 31, 2026, year-to-date net expenditures totalled $144M, representing 51% of the total approved budget. Salaries and benefits remain the largest cost category, accounting for approximately 74% of operating costs incurred to date.
- Overall expenditures are trending below the pro-rated year-to-date budget, resulting in a favourable variance of $15.6M at this stage, attributable mostly to the timing of expenditures, particularly in relation to information technology, infrastructure projects, equipment purchases, and capital acquisitions which do not occur evenly throughout the year and are projected to occur in Q3 and Q4.
- Sworn and civilian overtime continues at a similar pace as previous months and is still projected to be above budget but the impact to budget is partially offset by staffing vacancies.
- Auxiliary staffing also continues to trend above budget but also is partially offset by vacancies.
- Supplies and materials, which includes policing equipment, trending over budget relative to budget, in part because approved budgets in these areas were reduced below prior-year actual expenditures despite increased operational scale up in 2026. Management will continue to monitor the required spending in policing equipment for the remainder of the year.
- The year-end expenditure projections completed in June 2026 continue to indicate a small favourable variance of $335K against the approved budget.

PURPOSE

This report summarizes 2026 year-to-date expenditures incurred up to July 31, 2026.

BACKGROUND

The 2026 policing budget, as presented by the Board and approved by Council, is summarized below.

Approved SPS Budget

	2026
Operating Costs	
Board Remuneration	$ 200,000
Salaries and Benefits	222,788,174
Lower Mainland Integrated Police Services	23,210,822
Other Operating Expenditures	49,938,117
	296,137,113
Capital Assets and Equipment	**8,835,000**
Surrey Provincial Operations Support Unit	**24,954,864**
	329,926,977
Less:	
External Revenues and Recoveries	(15,365,946)
Province of BC contribution	(30,000,000)
Net/Total Policing Expenditures	**$ 284,561,031**

The 2026 budget presents policing costs under three main components: SPS Operating Costs, Capital Assets and Equipment, and the Surrey Provincial Operations Support Unit ("SPOSU") (RCMP members supporting SPS). The fundamental planning assumption underlying the budget is a targeted policing strength of 808 sworn members in 2026, including both SPS and RCMP members.

DISCUSSION

As of July 31, 2026, year-to-date ("YTD") net expenditures totalled $144M (51% of the total budget), as presented below. Although the SPOSU contract cost is presented as a line item in Surrey Police Board's budget, the agreement is between the federal government and Province of BC, and the Board does not direct the contract's cost or deliverables. This line item is included in the Board's budget and reporting for presentation purposes only, to provide stakeholders with a consolidated view of Surrey's total policing expenditures. Because the actual cost of SPOSU is unknown to SPS staff, the expense is currently accrued in proportion to the budgeted amount.

2026 Budget vs. Actual - Summary
As of July 31, 2026

	2026 Budget	YTD Actual	*% Utilized*	*Remaining Budget*
Operating Costs				
Board Remuneration	200,000	72,136	*36%*	*127,864*
Salaries and Benefits	222,788,174	114,605,511	*51%*	*108,182,663*
Lower Mainland Integrated Police Services	23,210,822	13,539,646	*58%*	*9,671,176*
Other Operating Expenditures	49,938,117	26,817,747	*54%*	*23,120,370*
	296,137,113	**155,035,040**	*52%*	*141,102,073*
Capital Assets and Equipment	**8,835,000**	**2,571,458**	*29%*	*6,263,542*
Surrey Provincial Operations Support Unit	**24,954,864**	**16,624,990**	*67%*	*8,329,874*
	329,926,977	**174,231,488**	*53%*	*155,695,489*
Less:				
External Revenues and Recoveries	(15,365,946)	(12,622,907)	*82%*	*(2,743,039)*
Province of BC contribution	(30,000,000)	(17,500,000)	*58%*	*(12,500,000)*
Net/Total Policing Expenditures	**284,561,031**	**144,108,581**	*51%*	*140,452,450*

Overall, as of the end of July, the main expense category is salaries and benefits, which account for approximately three-quarters of total operating costs incurred to date ($114.6M of $144M).

When comparing YTD expenditures to the pro-rated budget to July 31, SPS's expenditures are trending below budget at 90%, resulting in a favourable variance of $15.6M. This variance will fluctuate from month to month because the timing of expenditures does not always align with the monthly budget phasing, even though those expenditures remain within the approved annual budget. Year-end projections indicate no material variance from the approved budget, with a slight favourable variance of $335K.

Year-To-Date Budget vs. Actual - Summary
As of July 31, 2026

	YTD Budget	YTD Actual	*% Utilized*	*Remaining Budget*
Operating Costs				
Board Remuneration	116,667	72,136	*62%*	*44,531*
Salaries and Benefits	121,581,754	114,605,511	*94%*	*6,976,243*
Lower Mainland Integrated Police Services	13,539,646	13,539,646	*100%*	-
Other Operating Expenditures	29,130,571	26,817,747	*92%*	*2,312,824*
	164,368,638	**155,035,040**	*94%*	*9,333,598*
Capital Assets and Equipment	**5,153,750**	**2,571,458**	*50%*	*2,582,292*
Surrey Provincial Operations Support Unit	**16,624,990**	**16,624,990**	*100%*	-
	186,147,378	**174,231,488**	*94%*	*11,915,890*
Less:				
External Revenues and Recoveries	(8,963,469)	(12,622,907)	*141%*	*3,659,438*
Province of BC contribution	(17,500,000)	(17,500,000)	*100%*	-
Net/Total Policing Expenditures	**159,683,909**	**144,108,581**	*90%*	*15,575,328*

Key Variance Drivers

As of July 31, 2026, an estimate of the 2025 and 2026 cost-of-living adjustments has been accrued, as SPU and CUPE continue to bargain collective agreements that expired in 2024. Overtime continues to be at the same pace as previous months and is still projected to be higher than budget. Changes to operational requirements may affect the timing and utilization of OT; however, these additional costs are currently being partially offset by vacancies. Financial Service Section is working with the various bureaus to gather a detailed breakdown of the components in OT and will present the summary in Q3.

IT related costs are also trending lower than expected at this stage. However, IT and infrastructure project costs, equipment purchases, and capital expenditures are not incurred evenly throughout the year. As indicated in June 2026, IT related costs are expected to increase in Q3 and Q4 due to additional laptop purchases planned in anticipation of price increases ($1.2M), as well as IT equipment ($1M) required for infrastructure upgrades brought forward to 2026 from 2027.

These will be closely monitored to optimize project prioritization.

Within supplies and material, non-discretionary policing equipment costs are increasing due to operational needs as SPS continue to onboard new hires. Financial Service Section is working with Procurement to closely monitor these purchases and bring forward further recommendations, if additional action is required.

Appendices I and II present itemized budget-to-actual results (by full annual budget and by YTD budget, respectively), Appendix III presents itemized budget-to-actual results for Board expenditures, and Appendix IV presents expenditure projections to year-end.

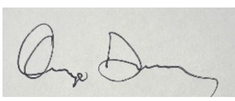
COMPLIANCE

All statutory remittances and reporting are currently up to date. Reporting and remittance frequencies are as follows:

- WorkSafeBC – quarterly
- Municipal Pension Plan – within 15 days of each payroll date
- BC Provincial Sales Tax (PST) – monthly
- BC Employer Health Tax (EHT) – quarterly
- Canada Revenue Agency
    - Goods and Services Tax (GST) remittances – annually, with quarterly instalment payments
    - Payroll remittances – immediately following each payroll date

RECOMMENDATION/CONCLUSION

The Finance and Risk Committee recommends that the Board receive this report for information.



George Duncan
Chair, Finance and Risk Committee

Appendix I	Itemized 2026 Budget vs. Actual – July 31, 2026 and variance analysis
Appendix II	Itemized 2026 Year-To-Date Budget vs. Actual – July 31, 2026
Appendix III	2026 Budget vs. Actual – Police Board – July 31, 2026
Appendix IV	Most recent forecast for 2026, prepared as of June 30, 2026

Appendix I

2026 Budget vs. Actual

As of July 31, 2026

	2026 Approved Annual Budget	YTD Actual	% Utilized		Budget Remaining
Operating Costs					
Board Remuneration	200,000	72,136	36.1%		127,864
Salaries and Benefits	222,788,174	114,605,511	51.4%		108,182,663
Lower Mainland Integrated Police Services	23,210,822	13,539,646	58.3%		9,671,176
Consultants and Professional Services	9,852,921	5,596,428	56.8%		4,256,493
Justice Institute of BC Recruit Training Fees	2,495,430	1,522,363	61.0%	1	973,067
Training and Travel	2,593,500	1,014,000	39.1%	2	1,579,500
Other/External Police Agency Support	665,000	919,664	138.3%	3	(254,664)
Brand Development and Advertising	288,647	98,778	34.2%	4	189,869
Events and Meetings	137,900	88,217	64.0%		49,683
Facilities Operating Expenses	2,695,200	1,021,471	37.9%	5	1,673,729
Leases and Rental	2,611,100	1,633,719	62.6%		977,381
Memberships and Professional Dues	64,070	52,629	82.1%	6	11,441
Other Expenditures	325,500	15,699	4.8%		309,801
Risk Management and Insurance	1,502,520	359,163	23.9%	7	1,143,357
Repairs and Maintenance	4,927,189	1,712,836	34.8%	8	3,214,353
Service Fees	129,000	114,814	89.0%	9	14,186
Software and Application Licences	7,012,654	2,846,469	40.6%	10	4,166,185
Technology System Levies	5,211,049	2,899,799	55.6%		2,311,250
Telecommunications/Telephony	1,244,900	509,764	40.9%	11	735,136
Supplies and Materials	7,452,537	6,240,306	83.7%	12	1,212,231
City of Surrey Allocated Costs	729,000	171,628	23.5%	7	557,372
Total Operating Costs	**296,137,113**	**155,035,040**	52.4%		141,102,073
Capital Assets and Equipment					
Protective Equipment - Armour and Shields	910,000	410,112	45.1%	13	499,888
Use of Force Equipment – Firearms	720,000	337,892	46.9%	14	382,108
Use of Force Equipment – Non-Lethal	90,000	-	0.0%	14	90,000
Vehicles/Police Fleet	7,115,000	1,823,454	25.6%	15	5,291,546
Total Capital Assets and Equipment	**8,835,000**	**2,571,458**	29.1%		6,263,542
Surrey Provincial Operations Support Unit	**24,954,864**	**16,624,990**	66.6%		8,329,874
Total Expenditures	**329,926,977**	**174,231,488**	no		155,695,489
Less:					
External Revenues and Recoveries	(15,365,946)	(12,622,907)	82.1%		(2,743,039)
Province of BC contribution	(30,000,000)	(17,500,000)	58.3%		(12,500,000)
Net Policing Expenditures	**284,561,031**	**144,108,581**	50.6%		140,452,450

<u>Budget vs. Actual Variance Analysis</u>

In addition to the general explanation in the report above, specific line-item budget-to-actual variances of interest are outlined below. Please refer to the corresponding note numbers in the statement above.

1. The Justice Institute of BC's recruit training expenses are incurred three times a year for three cohorts; the third cohort expense will be incurred in Q3. This variance is due to the timing of expenditures. JIBC is anticipated to be over budget due to additional recruit training in preparation of the uncertainty in the District takeovers.
2. Training and travel costs are currently trending lower. Conferences, courses, and training expenses are not incurred evenly throughout the year. Furthermore, recent discussions with the Training Section indicate that the training budget will likely not be fully spent, as there is insufficient backfill capacity to release members for training.
3. Other external police agency support is currently trending higher than budget, reflecting increased collaboration with other agencies to support operational needs, including Project Assurance costs.
4. Brand Development and Advertising costs are trending lower primarily due to timing differences. Recruiting campaigns, marketing initiatives, and related expenditures are typically not incurred evenly throughout the year. In addition, some planned activities have not proceeded as expected due to unforeseen events. Management will review opportunities to redirect spending within this line item where appropriate.
5. Facilities operating costs are projected to be lower than budget as some site upgrades and renovations did not proceed as planned, and winter-related costs, such as snow removal, are expected to be below budget.
6. Membership fees are generally paid once per year. This variance is due to the timing of expenditures.
7. Most of the risk management and insurance costs in the budget are related to vehicle purchases. There are fleet insurance-related costs from the "City of Surrey Allocated Costs" line that should be reallocated here.
8. Repairs and maintenance expenses are not expected to be incurred evenly throughout the year; therefore, we expect this line item to fluctuate over and under budget from time to time. Vehicle damage is a factor for variability in this category. Project related costs are anticipated to be lower than budget due to delays in certain upgrade projects, which are may not materialize in 2026. Changes in decisions by the City as projects get re-priorized throughout the year may impact actual costs by end of the year.
9. Service fees increased due to unexpected terminal rental fees charged by Moneris for the RCMP districts. The impact is not expected to be significant relative to the overall SPS budget.
10. IT systems, infrastructure, and software costs are currently trending below expectations. The Financial Services Section is working with the IM/IT Division to determine whether this variance is related to project timing or changes in operational priorities. Some IT related costs are a subcategory under Supplies and Materials (see note 12) which are beginning to increase in Q3.
11. Telecommunications and telephony costs are lower due to the lower number of employees at this point in the year and are expected to correlate with the hiring cadence over the coming months.
12. Supplies and materials include policing duty equipment, personal-issued equipment, uniforms, and ammunition, which are trending higher than the budget, reflecting current operational needs and resulting in slightly higher than expected spending to date. Management will continue to monitor these costs.

13. Body armour and shields are purchased in bulk to realize better economies of scale. This variance is due to the timing of expenditures.
14. Use of force equipment is purchased in bulk; these items are expected to be ordered later in the year. This variance is due to the timing of expenditures.
15. Vehicle costs are not recognized until delivery from the manufacturer. Some of the vehicles ordered in 2024 and 2025 are slowing being received in Q3 and projected to be fully received by end of the year. Some of the 2026 vehicle orders may also be received this year and if delivered as planned, the related costs are expected to remain within budget.

Appendix II

2026 Year-To-Date Budget vs. Actual

As of July 31, 2026

	YTD Budget	YTD Actual	% Utilized	Budget Remaining
Operating Costs				
Board Remuneration	116,667	72,136	61.8%	44,531
Salaries and Benefits	121,581,754	114,605,511	94.3%	6,976,243
Lower Mainland Integrated Police Services	13,539,646	13,539,646	100.0%	-
Consultants and Professional Services	5,747,537	5,596,428	97.4%	151,109
Justice Institute of BC Recruit Training Fees	1,455,668	1,522,363	104.6%	(66,695)
Training and Travel	1,512,875	1,014,000	67.0%	498,875
Other/External Police Agency Support	387,917	919,664	237.1%	(531,747)
Brand Development and Advertising	168,377	98,778	58.7%	69,599
Events and Meetings	80,442	88,217	109.7%	(7,775)
Facilities Operating Expenses	1,572,200	1,021,471	65.0%	550,729
Leases and Rental	1,523,142	1,633,719	107.3%	(110,577)
Memberships and Professional Dues	37,374	52,629	140.8%	(15,255)
Other Expenditures	189,875	15,699	8.3%	174,176
Risk Management and Insurance	876,470	359,163	41.0%	517,307
Repairs and Maintenance	2,874,194	1,712,836	59.6%	1,161,358
Service Fees	75,250	114,814	152.6%	(39,564)
Software and Application Licences	4,090,715	2,846,469	69.6%	1,244,246
Technology System Levies	3,039,779	2,899,799	95.4%	139,980
Telecommunications/Telephony	726,192	509,764	70.2%	216,428
Supplies and Materials	4,347,314	6,240,306	143.5%	(1,892,992)
City of Surrey Allocated Costs	425,250	171,628	40.4%	253,622
Total Operating Costs	**164,368,638**	**155,035,040**	94.3%	9,333,598
Capital Assets and Equipment				
Protective Equipment - Armour and Shields	530,833	410,112	77.3%	120,721
Use of Force Equipment – Firearms	420,000	337,892	80.5%	82,108
Use of Force Equipment – Non-Lethal	52,500	-	0.0%	52,500
Vehicles/Police Fleet	4,150,417	1,823,454	43.9%	2,326,963
Total Capital Assets and Equipment	**5,153,750**	**2,571,458**	49.9%	2,582,292
Surrey Provincial Operations Support Unit	**16,624,990**	**16,624,990**	100.0%	-
Total Expenditures	**186,147,378**	**174,231,488**	93.6%	11,915,890
Less:				
External Revenues and Recoveries	(8,963,469)	(12,622,907)	140.8%	3,659,438
Province of BC contribution	(17,500,000)	(17,500,000)	100.0%	-
Net Policing Expenditures	**159,683,909**	**144,108,581**	90.2%	15,575,328

Please refer to the variance analysis in Appendix I above for commentary.

Appendix III

2026 Budget vs. Actual - Police Board

As of July 31, 2026

	2026 Budget Police Board	YTD Actual	% Utilized	Budget Remaining (over)
Operating Costs				
Board Remuneration	$ 200,000	$ 72,136	*36.1%*	*127,864*
Salaries and Benefits	397,016	245,196	*61.8%*	*151,820*
Consultants and Professional Services	255,661	71,055	*27.8%*	*184,606*
Training and Travel	11,000	4,198	*38.2%*	*6,802*
Events and Meetings	7,500	-	*0.0%*	*7,500*
Memberships and Professional Dues	5,000	3,531	*70.6%*	*1,469*
Other Expenditures	-	79	*0.0%*	*(79)*
Supplies and Materials	4,500	1,352	-	*3,148*
Total Operating Costs	**880,677**	**397,547**	*45.1%*	*483,130*

Appendix IV

2026 Forecast to Budget

As of July 31, 2026

	2026 Approved Annual Budget	Q2 Forecast	Variance Under (Over) Approved budget	
Operating Costs				
Board Remuneration	200,000	200,000	(0.0)	
Salaries and Benefits	222,788,174	222,459,778	328,396	1
Lower Mainland Integrated Police Services	23,210,822	23,210,823	(1)	
Consultants and Professional Services	9,852,921	10,225,215	(372,294)	2
Justice Institute of BC Recruit Training Fees	2,495,430	2,909,863	(414,433)	3
Training and Travel	2,593,500	2,061,638	531,862	4
Other/External Police Agency Support	665,000	1,170,263	(505,263)	5
Brand Development and Advertising	288,647	229,754	58,893	
Events and Meetings	137,900	142,729	(4,829)	
Facilities Operating Expenses	2,695,200	1,994,433	700,767	6
Leases and Rental	2,611,100	2,976,619	(365,519)	7
Memberships and Professional Dues	64,070	98,030	(33,960)	
Other Expenditures	325,500	366,922	(41,422)	
Risk Management and Insurance	1,502,520	741,948	760,572	8
Repairs and Maintenance	4,927,189	4,017,126	910,063	9
Service Fees	129,000	178,501	(49,501)	
Software and Application Licences	7,012,654	6,479,519	533,135	10
Technology System Levies	5,211,049	4,587,732	623,317	
Telecommunications/Telephony	1,244,900	767,299	477,601	
Supplies and Materials	7,452,537	10,231,865	(2,779,328)	11
City of Surrey Allocated Costs	729,000	765,404	(36,404)	
Total Operating Costs	**296,137,113**	**295,815,461**	**321,652**	
Capital Assets and Equipment				
Protective Equipment - Armour and Shields	910,000	896,960	13,040	
Use of Force Equipment – Firearms	720,000	720,000	-	
Use of Force Equipment – Non-Lethal	90,000	90,000	-	
Vehicles/Police Fleet	7,115,000	7,115,000	(0)	
Total Capital Assets and Equipment	**8,835,000**	**8,821,960**	**13,040**	
Other/External Police Agency Support	**24,954,864**	**24,954,864**	**-**	
Total Expenditures	**329,926,977**	**329,592,285**	**334,692**	
Less:				
External Revenues and Recoveries	(15,365,946)	(15,365,946)	-	
Province of BC contribution	(30,000,000)	(30,000,000)	-	
City of Surrey Reserve/Transfers	-	-	-	
Other Revenues and Recoveries	**(45,365,946)**	**(45,365,946)**	**-**	
Net Policing Expenditures	**284,561,031**	**284,226,339**	**334,692**	

Budget vs. Q2 Forecast Variance Analysis (updated for July)

SPS is projecting a favourable variance of $335K. This projection is subject to change as more current and updated information becomes available. There has been no change to this projection at July.

Overall salaries and benefits are on budget; however, overtime and auxiliary costs are currently trending higher than budget and are offset by vacancies projected to the end of the year. Overtime and auxiliary costs were identified at the last FRC meeting as potential risks to the financial position and may remain elevated due to operational requirements. As the timeline for district takeovers becomes more aggressive, we may see spikes in overtime costs as members focus on increasing caseloads and maintaining adequate patrol staffing levels.

Operating expense pressures are mainly attributable to continued reliance on consultants due to hiring delays, increased JIBC recruit training costs, higher partner agency collaboration costs, IT equipment rentals and leases, and increased supplies and materials required to support operational expansion. Supplies and materials are trending above budget due to laptop purchases, infrastructure refresh requirements, duty and personal-issued equipment, uniforms, ammunition, and other policing-related supplies as the budget was adjusted downward to an amount below the prior year's actual expenditures, despite SPS operating at a larger scale than in the prior year.

Specifically, the potential overage was identified in the projection in supplies and materials are:

- $1.2M in laptops purchased in anticipation of price increases, including $700K recently approved by the Board.
- $1M in infrastructure refresh costs and certain IT equipment that have reached end of life. Due to expansion, this need was brought forward to 2026 instead of 2027.
- $1.6M in duty equipment and personal-issued equipment. The original request for these items was reduced by over $2M, and the projection is consistent with the original request required to support expansion.
- $1.4M in other policing equipment, including ammunition, first aid/medical supplies, operational supplies, and materials. These costs have increased as SPS continues to expand, but the approved budget did not fully reflect the needs of the expansion.

Some areas are projected to be below budget, including training, facilities-related costs, vehicle-related costs, and certain upgrade projects, primarily due to hiring delays, deferred training, delayed vehicle receipts, and project delays. Overall, the pressures are expected to be manageable through these favourable variances.

Key spending areas to monitor throughout Q3, which may have a material impact on the next forecast update, include:

- Overtime
- Auxiliary staffing cost
- Civilian vacancies
- IT
- Supplies and materials