



REGULAR

REPORT DATE: May 25, 2022

BOARD MEETING DATE: June 1, 2022

BOARD REPORT # 2022-FIN005

TO: Surrey Police Board

FROM: Finance Committee

FILE: 60540-20-04

SUBJECT: Financial Update – Year-To-Date Expenditures (April 30, 2022)

RECOMMENDATION

The Finance Committee recommends that the Surrey Police Board (the "Board") receive this report for information.

PURPOSE

This report presents a summary of 2022 year-to-date expenditures incurred up to the period ended April 30, 2022.

BACKGROUND

The Five-Year Financial Plan 2022 – 2026 adopted by City Council in December 2021 provided 2022 budget allocations for policing services, which included the annual budget for SPS and the one-time policing transition project budget.

The City’s 2022 – 2026 operating budget for policing is presented in the following table (in thousands):

SUMMARY	2022 BUDGET	2023 BUDGET	2024 BUDGET	2025 BUDGET	2026 BUDGET
Policing Services Operating Budget	\$ 194,807	\$ 202,465	\$ 211,015	\$ 216,160	\$ 221,459

For 2022, \$72.53M was allocated to SPS, as proposed by the Police Board, \$96.66M for the RCMP, and \$25.62M for City Police Support Services. SPS’ budget is detailed as follows:

	2022 Budget
Remunerations, Salaries and Benefits	\$48,862,320
Other Expenditures	25,587,666
Federal Subsidy	(4,200,000)
2022 Capital	2,275,000
	\$72,524,986
2021 Capital Carry Forward/Reserve	\$ 2,275,000
Total Available	\$74,799,986

In addition to the budget for regular SPS operations above, \$63.68M has been allocated by the City for the one-time policing transition to SPS, presented in the following table (in thousands):

SUMMARY	2020 BUDGET	2021 BUDGET	2022 BUDGET	2023 BUDGET	2024 BUDGET	TOTAL
One-time Policing Transition Project	\$ 25,200	\$ 23,084	\$ 5,400	\$ 5,000	\$ 5,000	\$ 63,684

The available funds for one-time policing transition expenditures during 2021 was \$43.72M (including carried forward amounts from 2020), of which \$28.12M was unspent and carried forward into 2022. The 2022 budget allocation for the transition project is \$5.40M; a total of \$33.52M is available for 2022, presented in the Discussion section below.

SPS and the City of Surrey are working collaboratively with both the Province of BC and the Government of Canada on the policing transition. The specific timing of SPS becoming the police of jurisdiction is dependent on decisions made by all three levels of government, which may affect the timing of expenditures.

DISCUSSION

SPS Operations

As of April 30, 2022, year-to-date expenditures were \$6.36M favourable compared to budget. SPS incurred total expenditures of \$17.51M compared to \$23.87M budgeted, as presented in the following table:

Year-to-Date Expenditures Summary - April 30, 2022

	YTD BUDGET	YTD ACTUAL	VARIANCE	ANNUAL BUDGET
<i>SPS Operations</i>				
Board Remunerations	60,000	38,777	21,223	180,000
Salaries and Benefits	12,966,833	11,143,295	1,823,538	48,682,320
Lower Mainland Integrated Teams	5,534,512	5,534,512	-	16,603,537
Other Expenditures	2,278,323	356,598	1,921,725	8,984,129
Total SPS Operations	\$ 20,839,668	\$ 17,073,182	\$ 3,766,486	\$ 74,449,986
Capital Expenditures**	\$ 3,033,332	\$ 436,992	\$ 2,596,340	\$ 4,550,000
TOTAL SPS EXPENDITURES	\$ 23,873,000	\$ 17,510,174	\$ 6,362,826	\$ 78,999,986
Recovery - Federal/RCMP Subsidy	-	-	-	(4,200,000)
NET EXPENDITURES	\$ 23,873,000	\$ 17,510,174	\$ 6,362,826	\$ 74,799,986

** Capital Expenditures include a \$2.275M unused reserve carry forward from 2021 and an additional \$2.275M budgeted for 2022.

As of April 30, 2022, SPS incurred total expenditures of \$11.98M (excluding \$5.53M contributed to Lower Mainland Integrated Teams), of which \$39K was for board remuneration, \$11.14M for employee salaries and benefits, \$437K of capital expenditures, and \$357K of other expenditures. Appendix I provides a breakdown of expenditures by Bureau.

Lower Mainland Integrated Teams (LMIT) are funded by each jurisdiction within the region for their services, including:

- Integrated Homicide Investigation Team (IHIT)
- Emergency Response Team (ERT)
- Integrated Forensic Identification Services (IFIS)

- Integrated Police Dog Services (IPDS)
- Integrated Collision Analysis and Reconstruction Service (ICARS)

Surrey's contribution to LMIT was included in SPS' budget; as such, the associated costs are captured as part of SPS' expenditures. The LMIT budget and expenses also include contributions to the Real Time Intelligence Centre (RTIC) and the Independent Investigations office (IIO).

On April 30, 2022, there were a total of 247 SPS employees (210 sworn members and 37 civilians). Of these employees, 21 were assigned to temporary recruitment and security clearance positions, and other temporary roles required for the policing transition project; their salaries and benefits are currently allocated to the One-time Policing Transition Project fund.

Included in SPS Operations, are salaries and benefits of \$11.14M for 226 employees (198 sworn members and 28 civilians). These employees are engaged in the following initiatives:

- Community policing
- Development of policies and procedures
- Development of training programs, including operational and leadership skills development
- Procurement (equipment, uniforms, firearms, etc.)
- Tri-lateral coordination (human resources, asset transfer, facilities, etc.)
- Occupational health and safety development and organization
- Community engagement
- Staffing coordination and financial planning

Other expenditures of \$357K included: \$146K for supplies and materials; \$50K of telecommunication expenses; \$40K for training; \$92K for outsourced services; \$10K of publications and media expenses; \$13K of memberships and professional dues; \$4K of travel expenses; and \$2K for recruiting.

One-Time Policing Transition Project

The one-time policing transition project expenditures to date are summarized in the following table:

One-Time Policing Transition Fund Summary - April 30, 2022

	TOTAL FUND AVAILABLE	YTD ACTUAL EXPENSES	REMAINING FUND BALANCE	FORECASTED EXPENDITURES (Prepared Nov 2021)	PROJECTED FUND CARRY FORWARD
	2022	2022	2022	2022	2023
Project Summary					
One-Time Policing Transition**	\$ 33,524,926	\$ 4,103,626	\$ 29,421,300	\$ 26,250,306	\$ 7,274,620

** Total fund available in 2022 includes \$28.125M carried forward from 2021.

Appendix II presents the detail on the policing transition costs, related to establishing SPS. The unspent \$28.12M carried forward from 2021 has been reallocated to 2022 and future years based on the priority needs of the policing transition project. Year-to-date expenditures from the one-time fund as of April 30, 2022, totalled \$4.10M of the \$33.52M available; details of significance are presented below:

- Recruitment, Assessment, and Training expenses include employees assigned to support the recruiting surge for SPS, along with the costs related to security clearances, testing and assessment of candidates, and training of new hires. As of April 30, 2022, resources currently assigned to temporary recruitment and security clearance processing include 17 employees (12 sworn members and 5 civilians). The year-to-date expenditure totalled \$1.15M.

- Information Technology Operating costs include maintenance of IT operating systems, and external personnel for IT project management. The year-to-date expenditure totalled \$288K.
- Human Resources expenses include auxiliary personnel in various temporary roles to support establishing SPS; currently there are 4 civilians as of April 30, 2022. The year-to-date expenditure totalled \$49K.
- Communications and Marketing expenditures include consultants managing public relations required to support the establishment of SPS. The year-to-date expenditure totalled \$79K.
- Financial Services expenses include outsourced financial service consultants and personnel to support setting up SPS' financial systems and payroll database. The year-to-date expenditure totalled \$63K.
- Legal expenditures are for matters related to collective bargaining, human resources, trademarks, and other establishment legal costs. Also included in Legal, is the cost of in-house counsel seconded from the City of Surrey. The year-to-date expenditure totalled \$128K.
- Information Technology Capital expenditures are related to building the data centre, dispatch systems, administrative systems, and telecommunication assets. The year-to-date expenditure totalled \$1.45M.
- Armoury, Outfit, and Other Equipment Capital costs are related to firearms, uniforms, personal issue kits, and other speciality equipment required for policing. The year-to-date expenditure totalled \$873K.
- Facilities Capital include retrofit costs for SPS to occupy facilities currently owned or leased by the City of Surrey. The year-to-date expenditure totalled \$25K.

CONCLUSION

Expenditures to date, supporting SPS' operations and the One-time Policing Transition Project, are within the available funding for 2022.



Elizabeth Model
Chair, Finance Committee

Appendix I Surrey Police Service Year-to-Date Expenditures – April 30, 2022
Appendix II One-Time Policing Transition Project Fund Reconciliation – April 30, 2022

APPENDIX I**Surrey Police Service
Year-to-Date Expenditures - April 30, 2022**

	YTD BUDGET	YTD ACTUAL	VARIANCE	ANNUAL BUDGET
<i>Surrey Police Board</i>				
Board Remunerations	60,000	38,777	21,223	180,000
Salaries and Benefits	120,000	101,314	18,686	346,072
Other Expenditures	93,000	8,959	84,041	279,080
Surrey Police Board	\$ 273,000	\$ 149,050	\$ 123,950	\$ 805,152
<i>Office of the Chief Constable</i>				
Salaries and Benefits	877,845	845,140	32,705	2,538,477
Other Expenditures	121,081	54,319	66,762	395,555
Office of the Chief Constable	\$ 998,926	\$ 899,459	\$ 99,467	\$ 2,934,032
<i>Community Policing Bureau</i>				
Salaries and Benefits	6,935,215	6,117,180	818,035	27,262,420
Lower Mainland Integrated Teams	5,534,512	5,534,512	-	16,603,537
Other Expenditures	98,113	49,865	48,248	1,913,774
Community Policing Bureau	\$ 12,567,840	\$ 11,701,557	\$ 866,283	\$ 45,779,731
<i>Investigative Services Bureau</i>				
Salaries and Benefits	1,417,470	1,211,056	206,414	6,310,238
Other Expenditures	183,799	19,918	163,881	680,690
Investigative Services Bureau	\$ 1,601,269	\$ 1,230,974	\$ 370,295	\$ 6,990,928
<i>Support Services Bureau</i>				
Salaries and Benefits	3,616,303	2,868,605	747,698	12,225,113
Other Expenditures	1,782,330	223,537	1,558,793	5,715,030
Support Services Bureau	\$ 5,398,633	\$ 3,092,142	\$ 2,306,491	\$ 17,940,143
Total Operation Expenditures	\$ 20,839,668	\$ 17,073,182	\$ 3,766,486	\$ 74,449,986
Capital Expenditures**	\$ 3,033,332	\$ 436,992	\$ 2,596,340	\$ 4,550,000
TOTAL SPS EXPENDITURES	\$ 23,873,000	\$ 17,510,174	\$ 6,362,826	\$ 78,999,986
Recovery - Federal/RCMP Subsidy	-	-	-	(4,200,000)
NET EXPENDITURES	\$ 23,873,000	\$ 17,510,174	\$ 6,362,826	\$ 74,799,986

** Capital Expenditures include a \$2.275M unused reserve carry forward from 2021 and an additional \$2.275M budgeted for 2022.

APPENDIX II

**One-Time Policing Transition Project
Fund Reconciliation - April 30, 2022**

EXPENDITURES	FUND CARRIED FORWARD	CURRENT YEAR BUDGET (\$5,400,000)	TOTAL FUND AVAILABLE	YTD ACTUAL EXPENSES	FORECASTED EXPENDITURES (Prepared Nov 2021)	PROJECTED FUND CARRY FORWARD
	2021	2022	2022	2022	2022	2023
	(a)	(b)	(a) + (b) = (c)	(d)	(e)	(c) - (e) = (f)
Recruitment, Assessment, and Training	7,892,499	293,501	8,186,000	1,149,134	8,186,000	-
Infrastructure Operating	528,837	-	528,837	113	400,000	128,837
Information Technology Operating	3,805,151	-	3,805,151	288,045	1,190,434	2,614,717
Human Resources	390,944	-	390,944	49,258	50,400	340,544
Communications and Marketing	63,009	533,691	596,700	79,173	596,700	-
Financial Services	161,451	118,549	280,000	62,913	280,000	-
Legal	102,181	260,479	362,660	127,853	362,660	-
Strategy and Policy	222,213	-	222,213	-	100,000	122,213
SPS TRANSITION - OPERATION SUBTOTAL	\$ 13,166,285	\$ 1,206,220	\$ 14,372,505	\$ 1,756,489	\$ 11,166,194	\$ 3,206,311
Information Technology Capital	6,873,560	3,895,737	10,769,297	1,448,773	9,810,383	958,914
Armory, Outfit and Other Equipment Capital	6,918,046	-	6,918,046	872,959	4,001,256	2,916,790
Fleet Capital	949,043	298,043	1,247,086	-	1,247,086	-
Facilities Capital	217,992	-	217,992	25,405	25,387	192,605
SPS TRANSITION - CAPITAL SUBTOTAL	\$ 14,958,641	\$ 4,193,780	\$ 19,152,421	\$ 2,347,137	\$ 15,084,112	\$ 4,068,309
TOTAL BALANCE	\$ 28,124,926	\$ 5,400,000	\$ 33,524,926	\$ 4,103,626	\$ 26,250,306	\$ 7,274,620