



REGULAR

REPORT DATE: June 22, 2023

Posted on Website

BOARD REPORT # 2023-FIN006

TO: Surrey Police Board

FROM: Finance Committee

FILE: 60540-20-04

SUBJECT: Financial Update – Year-To-Date Expenditures (May 31, 2023)

RECOMMENDATION

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

PURPOSE

This report presents a summary of 2023 year-to-date expenditures incurred to the period ended May 31, 2023.

BACKGROUND

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

	2023	2024	2025	2026	2027
SUMMARY	BUDGET	PLAN	PLAN	PLAN	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 will occur subsequent to the Province’s direction on the police transition.

DISCUSSION

SPS Operations

As of May 31, 2023, year-to-date expenditures (operating and capital) totalled \$29.10M, summarized below:

Year-to-Date Expenditures Summary

As of May 31, 2023

	YTD ACTUAL
<i>SPS Operations</i>	
Board Remunerations	36,458
Salaries and Benefits	25,864,677
Other Expenditures	1,154,895
Total SPS Operations	\$ 27,056,030
Capital Expenditures**	\$ 2,043,945
TOTAL SPS EXPENDITURES	\$ 29,099,975

Year-to-date, SPS expended \$36K for board remuneration, \$25.86M for employee salaries and benefits, \$2.04M of capital expenditures, and \$1.15M of other operating expenditures. (Appendix I provides a breakdown of expenditures by Bureau.)

On May 31, 2023, there were 396 active SPS employees (336 sworn members and 60 civilians). Of these employees, 41 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.

Included in SPS Operations, are salaries and benefits of \$25.86M, for 355 employees (314 sworn members and 41 civilians) currently active, engaged in policing and day-to-day business operating activities.

Other operating expenditures of \$1.15M included: \$83K for training courses and seminars, \$223K paid to JIBC for recruit training; \$143K of electronic communications related expenses; \$76K of travel expenses; \$21K of memberships and professional dues; \$13K for lease and rentals; \$128K for supplies and materials; \$8K for publications and reference materials; \$455K 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 May 31, 2023

	TOTAL FUND AVAILABLE	YTD ACTUAL EXPENSES	REMAINING FUND BALANCE	PROJECTED EXPENDITURES	PROJECTED FUND CARRY FORWARD
	2023	2023	2023	2023	2024
Project Summary					
One-Time Policing Transition**	\$ 24,383,185	\$ 3,559,885	\$ 20,823,300	\$ 23,259,356	\$ 1,123,829

** Total fund available in 2023 includes \$19.383M carried forward from prior years.

Appendix II presents the detail on the policing transition project costs related to establishing SPS, based on our latest financial projection. Year-to-date expenditures as of May 31, 2023, totalled \$3.56M of \$24.38M available; details of significance are presented below:

- Recruitment, Assessment, and Training expenses include costs incurred to support the recruiting surge for SPS, security clearances, testing and assessment of candidates, and training of new hires;

year-to-date expenditures totalled \$1.04M (18% of projected amount for 2023).

- Human Resources expenses include personnel in various temporary roles (auxiliary staff) and HR consultant(s) to support establishing SPS; year-to-date expenditures totalled \$231K (22% of projected amount for 2023).
- Communications and Marketing expenditures include consultants managing public relations and brand development expenses to support the establishment of SPS; year-to-date expenditures totalled \$67K (23% of projected amount for 2023).
- Financial Services expenses include outsourced financial service consultants and personnel to support setting up SPSs' finance and payroll systems and databases; year-to-date expenditures totalled \$29K (14% of projected amount for 2023).
- Legal expenditures are specialized legal services, for matters related to collective bargaining, human resources, trademarks, and other establishment legal costs; also included, is the cost of in-house counsel seconded from the City. The year-to-date expenditures totalled \$114K (31% of projected amount for 2023).
- Information Technology Systems and Capital costs include IT operating systems setup, external consultants for project management, building our technology infrastructure (data centre, dispatch systems, administrative systems), and the procurement of related assets; year-to-date expenditures totalled \$1.27M (10% of projected amount for 2023).
- Armoury, Outfit, and Other Equipment Capital costs are related to firearms, uniforms, personal issue kits, and other speciality equipment for policing; year-to-date expenditures totalled \$771K (50% of projected amount for 2023).
- Fleet Conversion and 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; year-to-date expenditures totalled \$36K (4% of projected amount for 2023).

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 wait for provincial direction on the police transition.



Avtar Johl
Chair, Finance Committee

Appendix I Surrey Police Service Year-to-Date Expenditures – May 31, 2023
Appendix II One-Time Policing Transition Fund as of May 31, 2023

APPENDIX I

Surrey Police Service
Year-to-Date Expenditures - May 31, 2023

	YTD ACTUAL
<i>Surrey Police Board</i>	
Board Remunerations	36,458
Salaries and Benefits	132,364
Other Expenditures	30,484
Surrey Police Board	\$ 199,306
<i>Office of the Chief Constable</i>	
Salaries and Benefits	1,202,647
Other Expenditures	57,282
Office of the Chief Constable	\$ 1,259,929
<i>Community Policing Bureau</i>	
Salaries and Benefits	16,545,221
Lower Mainland Integrated Teams	-
Other Expenditures	106,887
Community Policing Bureau	\$ 16,652,108
<i>Investigative Services Bureau</i>	
Salaries and Benefits	1,515,153
Other Expenditures	22,480
Investigative Services Bureau	\$ 1,537,633
<i>Support Services Bureau</i>	
Salaries and Benefits	6,469,292
Other Expenditures	937,762
Support Services Bureau	\$ 7,407,054
Total Operation Expenditures	\$ 27,056,030
Capital Expenditures	\$ 2,043,945
TOTAL SPS EXPENDITURES	\$ 29,099,975

One-Time Policing Transition Fund

As of May 31, 2023

	2020 - 2022 Expenditures	May YTD Expenditures	2023 Projection	% Spent	2024 Projection	Total Projected Transition Project Cost
Recruitment, Assessment, and Training	\$ 5,834,920	\$ 1,041,703	\$ 5,726,549	18%	\$ 1,477,610	\$ 13,039,079
Human Resources	1,587,861	230,550	1,024,747	22%	727,959	\$ 3,340,567
Communications and Marketing	918,518	66,670	286,042	23%	228,210	\$ 1,432,770
Financial Services	701,474	29,345	212,305	14%	207,000	\$ 1,120,779
Legal	1,067,615	113,599	367,858	31%	330,526	\$ 1,765,999
Strategy and Policy	782,059	-	-	-	-	\$ 782,059
Information Technology Systems and Capital	17,854,328	1,270,996	12,550,435	10%	2,068,716	\$ 32,473,479
Armory, Outfit and Other Equipment Capital	3,561,458	771,142	1,554,654	50%	-	\$ 5,116,112
Fleet Conversion and Capital, and Other Infrastructure	1,474,767	35,880	889,498	4%	-	\$ 2,364,265
Facilities Improvement and Outfitting	517,815	-	647,268	0%	809,086	\$ 1,974,169
Total Expenditures:	\$ 34,300,815	\$ 3,559,885	\$ 23,259,356	15%	\$ 5,849,107	\$ 63,409,278
Prior Year Fund Carry Forward:	\$ -	\$ 19,383,185	\$ 19,383,185		\$ 1,123,829	\$ -
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	\$ 20,823,300	\$ 1,123,829		\$ 274,722	\$ 274,722 *

* \$274,722 overall contingency/unallocated