

# Surrey Police Transition

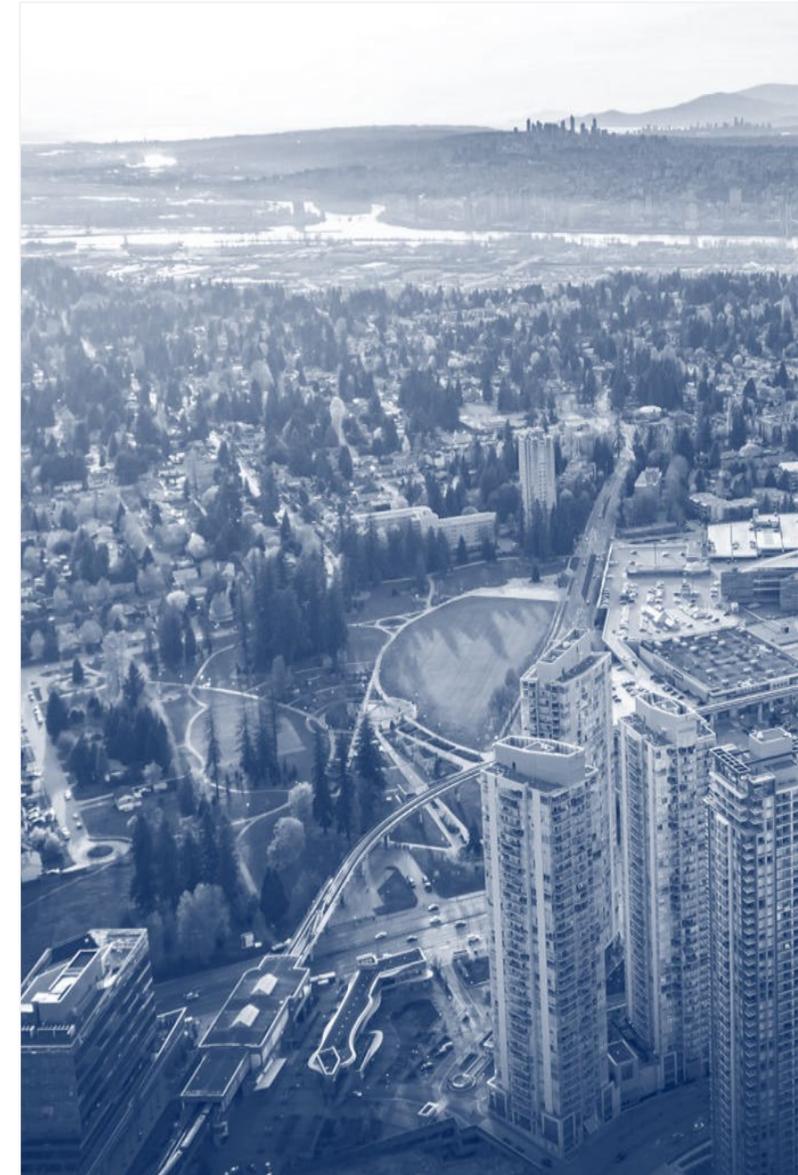
## 2024 Provisional Budget

November 29, 2023



# Table of Contents

Topic	Content	Page #
<b>Executive Summary</b> 	<ul style="list-style-type: none"> <li>• Background and Scope</li> <li>• 2024 Provisional Budget Guiding Assumptions</li> <li>• 2024 Provisional Budget Approach</li> <li>• Key Observations</li> </ul>	<b>9-12</b>
<b>2024 Provisional Budget</b> 	<ul style="list-style-type: none"> <li>• Provisional Budget Overview</li> <li>• Provisional Budget Assumption Summary</li> <li>• 2024 Provisional Budget</li> <li>• Risks Assessment Overview</li> <li>• Risk Assessment Detailed Log</li> </ul>	<b>13-24</b>
<b>SPS 2024 Operational Budget</b> 	<ul style="list-style-type: none"> <li>• SPS Budget Overview</li> <li>• SPS Assumption Summary</li> <li>• SPS Detailed Cost Considerations</li> </ul>	<b>25-29</b>
<b>RCMP Transition Budget</b> 	<ul style="list-style-type: none"> <li>• RCMP Budget Overview</li> <li>• RCMP Budget Assumption Summary</li> <li>• RCMP Detailed Cost Considerations</li> </ul>	<b>30-34</b>
<b>Appendices</b> 	<ul style="list-style-type: none"> <li>• Appendix A: Hiring Plan</li> <li>• Appendix B: SPS Assumptions</li> <li>• Appendix C: RCMP Assumptions</li> <li>• Appendix D: RCMP vs SPS Rank Comparison</li> </ul>	<b>35-58</b>



# Disclaimer

## 2024 Provisional Budget Use and Limitations

---

The 2024 Provisional Budget has been created for the purposes of supporting the Surrey Police Service ("SPS") in completing the budget submission to the Surrey Police Board, and subsequently to the City of Surrey, for 2024 which reasonably captures the holistic costs and expenditures of policing in the City of Surrey and encompasses the transition from the Royal Canadian Mounted Police ("RCMP") to the SPS. The 2024 Provisional Budget is based upon the financial information and direction provided by the Strategic Implementation Advisor ("SIA").

The nature of this budgeting exercise differs significantly from tax or financial due diligence because of the limitations in the nature of the data gathering, particularly resulting from the need to rely on the publicly available data without opportunities to validate the assumptions and analysis directly with all constituents. This, combined with the absence of an opportunity to independently verify the information supplied in respect of both historical and projected data, limits the accuracy of observations and more fulsome information may result in different results. There are restrictions or limitations in the resulting data that could impact the accuracy of the 2024 Provisional Budget, and therefore the analysis indicates the source of the data that was obtained by us and disclaim any responsibility for its accuracy.

No opinion, counsel, or interpretation is intended in matters that require legal or other appropriate professional advice. It is assumed that such opinion, counsel, or interpretations have been, or will be, obtained from the appropriate professional sources. To the extent that there are legal issues relating to compliance with applicable laws, regulations, and policies, we assume no responsibility.

Observations are made on the basis of economic, competitive and general business conditions prevailing as at the date hereof. In the analyses, we have made assumptions with respect to the operating performance, general business, and economic conditions and other matters, many of which are beyond our control, including government and regulation. Please see Appendix B and Appendix C for the detailed assumptions made for the calculations for RCMP and SPS, respectively.

We do not assume any responsibility or liability for losses incurred by any party as a result of the circulation, publication, reproduction or use of this analysis contrary to its intended purpose.

The analysis is provided as of November 29, 2023 and we disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting this analysis, which may come or be brought to our attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the analyses after the date hereof, we reserve the right to change, modify or withdraw the analysis.

The analysis must be considered as a whole and selecting portions of the analysis, or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the issues related to the analysis.

Amendment of any of the assumptions identified throughout this analysis could have a material impact on the analysis contained herein. Should any of the major assumptions not be accurate or should any of the information provided not be factual or correct, the analyses, as expressed in this the 2024 Provisional Budget, could be significantly different.

# Glossary

Term	Definition
<b>Green Timbers</b>	Costs associated with RCMP's "E" Division Headquarters in Surrey.
<b>Implementation Cost</b>	Costs incurred to implement the demobilization of the Surrey RCMP and transition to full SPS policing.
<b>Integrated Teams</b>	Five integrated teams are supported within the RCMP Lower Mainland District ("LMD") and includes the Integrated Homicide Investigative Team ("IHIT"), Lower Mainland District Emergency Response Team ("LMD ERT"), Integrated Collision Analysis and Reconstruction Service ("ICARS"), LMD Integrated Forensic Identification Service ("LMD IFIS") and the Lower Mainland District Police Dog Service ("LMD PDS").
<b>Non-Operational Officer</b>	Sworn Officers that are currently employed by SPS but not deployed, either awaiting future deployment or carrying out other functions like recruiting, training, etc..
<b>One-time Transition Cost</b>	One-time costs related to establishing the SPS (e.g., fleet conversion, facilities improvement, information technology systems, personal equipment stocks, etc..).
<b>Operational Cost</b>	Costs incurred to sustain daily operations of police including facilities, communications, vehicles, repairs and maintenance, excluding one-time start-up expenses.
<b>Operational Officer</b>	Sworn Officers that are deployed to calls for service, perform investigative duties, or proactive community policing.
<b>Professional and Specialized Services</b>	Costs inclusive of legal services, training & seminars, professional services, other services, and radio communication systems.
<b>Recruitment and Training</b>	Costs related to training for experienced and new hires including, Justice Institute of British Columbia ("JIBC:) training for SPS as they are representative of ongoing costs for the respective police services.
<b>Specialized Teams</b>	Teams within RCMP offering specialized services (e.g., General Duty Policing, Forensic Identification, Drugs and Organized Crime Investigation, Financial Crime, Emergency Response Team, etc..).
<b>Steady State</b>	The authorized strength representing the maximum number of positions that the detachment or department has been authorized to fill.
<b>Transition Fund</b>	In 2020, the City of Surrey committed to and set aside \$63.6M for the police transition project. This fund was established to support SPS' initial startup costs and to build the IT infrastructure required by SPS to become the Police of Jurisdiction.

# Acronyms

Term	Definition
<b>CAD</b>	Canadian Dollars
<b>CBA</b>	Collective Bargaining Agreement
<b>FTE</b>	Full-Time Equivalent (includes both Sworn Officers and Civilians)
<b>JIBC</b>	Justice Institute of British Columbia
<b>MPSA</b>	Municipal Police Service Agreement
<b>MPUA</b>	Municipal Police Unit Agreement
<b>MYFP</b>	Multi-year financial plan
<b>POJ</b>	Police of Jurisdiction
<b>RCMP</b>	Royal Canadian Mounted Police
<b>SIA</b>	Strategic Implementation Advisor
<b>SPB</b>	Surrey Police Board
<b>SPS</b>	Surrey Police Service
<b>SPU</b>	Surrey Police Union
<b>The City</b>	City of Surrey

Term	Definition (SPS)
<b>CC</b>	Chief Constable
<b>DCC</b>	Deputy Chief Constable
<b>SI</b>	Superintendent
<b>I</b>	Inspector
<b>STS</b>	Staff Sergeant
<b>S</b>	Sergeant
<b>C</b>	Constable

Term	Definition (RCMP)
<b>CST</b>	Constable
<b>CPL</b>	Corporal
<b>SGT</b>	Sergeant
<b>SGT MAJ</b>	Sergeant Major
<b>S/SGT</b>	Staff Sergeant
<b>S/SGT MAJ</b>	Staff Sergeant Major
<b>INSP</b>	Inspector
<b>SUPT</b>	Superintendent
<b>C/SUPT</b>	Chief Superintendent
<b>A/COMM</b>	Assistant Commissioner

## Data Reviewed (1/2)

Exhibit #	Document name	Authorized by	Provided by	Date Published
1	2024 Consolidated Budget (With 2024-2026 Staffing Cost Projection)	SPS	SPS	November 20, 2023
2	Human Resources Strategy And Plan	SPS and RCMP	SIA	April 5, 2022
3	2024 Capital Budget	SPS	SPS	November 20, 2023
4	Per Recruit Equipment List Cost	SPS	SPS	November 20, 2023
5	2024 Operating Budget-Police Board	SPS	SPS	November 24, 2023
6	2024 Operating Budget-Community Policing Bureau	SPS	SPS	November 23, 2023
7	2024 Operating Budget-Investigative Services Bureau	SPS	SPS	November 23, 2023
8	2024 Operating Budget-Office of the Chief Constable	SPS	SPS	November 23, 2023
9	2024 Operating Budget-Support Services Bureau	SPS	SPS	November 23, 2023
10	Staffing Budget 2024	SPS	SPS	November 23, 2023
11	2024 Overhead Calculation	SPS	SPS	November 23, 2023
12	2024 Capital Budget	SPS	SPS	November 23, 2023
13	2024 Consolidated Budget Ops Cap OTF Combined	SPS	SPS	November 24, 2023
14	2024 SPS Operating Budget Summary by Bureau	SPS	SPS	November 24, 2023
15	One-time Policing Transition Project-Projection	SPS	SPS	November 23, 2023
16	SPS IMIT Budget Forecast	SPS	SPS	November 23, 2023
17	RCMP Surrey Multi-year Financial Plan 2022	RCMP	SIA	April 5, 2023

## Data Reviewed (2/2)

<b>Exhibit #</b>	<b>Document name</b>	<b>Authorized by</b>	<b>Provided by</b>	<b>Date Published</b>
18	City of Surrey – Quarterly Reports Q1 2022	City of Surrey	Publicly Available Information	May 9, 2022
19	City of Surrey – Quarterly Reports Q2 2022	City of Surrey	Publicly Available Information	July 25, 2022
20	City of Surrey – Quarterly Reports Q3 2022	City of Surrey	Publicly Available Information	November 24, 2022
21	City of Surrey – Quarterly Reports Q1 2023	City of Surrey	Publicly Available Information	May 15, 2023
22	City of Surrey – Quarterly Reports Q2 2023	City of Surrey	Publicly Available Information	July 24, 2023
23	City of Surrey – Quarterly Reports Q3 2023	City of Surrey	Publicly Available Information	October 15, 2023
24	Committee Officers	SIA	SIA	November 2, 2023
25	Committee Presentation	SIA	SIA	November 2, 2023
26	2022 RCMP Salary documents	RCMP	Publicly Available Information	April 5, 2023

# Executive Summary

---



# Background and Scope

The 2024 Provisional Budget analysis was performed under the guidance and instruction of the SIA.

## Background



In November 2018, the City of Surrey made the decision to move to a municipal-based policing organization, Surrey Police Service (“SPS”), and received approval from the Minister of Public Safety and Solicitor General of BC in February 2021. The transition to SPS began with the first officers and civilians being hired and municipal funds being spent in 2021. In November 2022, the newly elected City Council voted in favor of retaining RCMP in Surrey. The City decided to halt the transition and retain RCMP. However, in July 2023, the Minister made a final and binding decision that the City must complete its transition to the SPS.

As of November 2023, the RCMP remains as the Police of Jurisdiction (“POJ”) in Surrey, while policing is delivered through a blended organization comprising approximately 25% SPS and 75% RCMP. Work is currently underway with the involvement of all parties to define the remainder of the transition period. The analysis utilizes the current agreed assumptions of this work to frame the 2024 Provisional Budget. The primary working assumptions are that the remainder of the transition will be complete in 2.5 years (i.e. mid-2026). The SPS will assume an “end-state vision” of the same organizational structure and size of force as the Surrey RCMP detachment would otherwise have at that point in time.

## Objectives



The 2024 Provisional Budget is intended to provide a point in time summary of the transition costs associated with the transition of the RCMP to the SPS and the provisional policing budget for the City of Surrey for the fiscal year 2024.



In addition to the reviews and assessment of information provided, leading practices and lessons learned from comparable public sector organizations were also considered.



The 2024 Provisional Budget does not consider and/or account for any potential subsequent changes the SIA or SPS may make to the documents reviewed as of November 29, 2023.

## Scope



This analysis included a review of information and documentation provided by the SIA and SPS such as drafted forecasts for fiscal 2024 and additional supporting documentation. The scope of the 2024 Provisional Budget focuses on the SPS Provisional Budget for fiscal year 2024, which includes the global costs of policing for the City of Surrey. The 2024 Provisional Budget provides detailed financial analyses and comparisons of major expenditure trends, to provide the financial information required to support decision-making, from a quantitative standpoint, for the delivery of policing services.

The analysis did not include decision-making activities nor make decisions on behalf parties involved. The analysis did not include a detailed business review of the policing services (e.g. operational effectiveness), administrative and business support functions, and assessments of the service delivery model between the two police services.



# 2024 Provisional Budget Guiding Assumptions

The 2024 Provisional Budget was formed on the guiding notions of ensuring public safety for the community and police officers, and the resounding commitment to transparency, taxpayer affordability, legal alignment, and employee wellness.

## 2024 Provisional Budget Assumptions



The primary working assumptions are that the **remainder of the policing transition will be completed in 2.5 years (i.e., mid-2026)** and that the **SPS will assume an “end-state vision” of the same organizational structure and size of force as the Surrey RCMP** detachment would otherwise have at that point in time.

### Transition dynamics



- Both the SPS and RCMP will operate collaboratively, with the **SPS gradually attaining full functionality as the RCMP phases out.**
- The **transition from RCMP to SPS will occur gradually** while preserving officer and public safety, as well as adequate and effective policing service levels.
- Based on discussions with the parties to date, the presumed cadence of SPS deployment and RCMP demobilization will be 180 in 2024.

### Headcount



- A target goal of maintaining 734 + 25 new per year for 2023, 2024, 2025 and 2026 (i.e., 834 in 2026) combined RCMP/SPS FTEs officer headcount **guided the RCMP demobilization figures to ensure a set level of police officer resources.**
- Number and cadence of demobilization of RCMP officers commensurate with duties being progressively fulfilled by qualified SPS assigned officers.

### Training



- A focus on frontline positions with the introduction of a select number of specialized officers to begin onboarding and knowledge transfer.
- SPS training periods after hiring for officer deployment:
  - Experienced Officers: 8 weeks.
  - New recruits: 1 year.

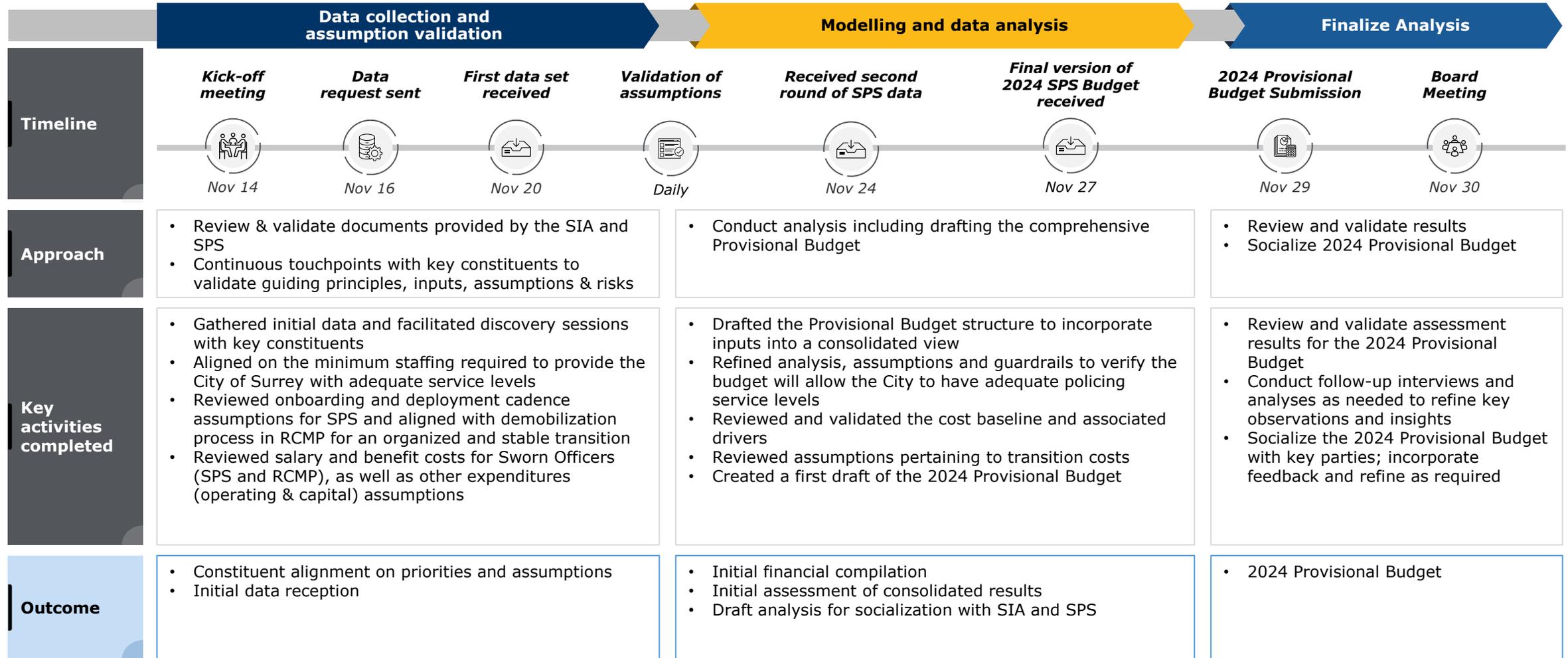
### Contingencies and other considerations



- Contingencies are included to account for the following key risks:
  - RCMP asset transfer: Expenses may fluctuate should RCMP / SPS transition schedules not align or, if certain assets are not able to be transferred due to deployment prioritization.
  - Possible lags between SPS deployments and RCMP demobilization.
  - Factors affecting RCMP member demobilization including, but not limited to, officer attrition, relocations, etc..
  - Higher than expected SPS deployment timelines.
  - Uncertain pay negotiation outcomes.
- Significant facility infrastructure investments are out of scope from the 2024 Provisional Budget.

# 2024 Provisional Budget Approach

The 2024 Provisional Budget was compiled over three consecutive weeks with continuous feedback and validation from key constituents on guiding principles, inputs, assumptions, and risks.



The 2024 Provisional Budget was a collaborative exercise led by the SIA with inputs and support from SPS.

# Key Observations

In the process of reviewing SPS' budget, validating its assumptions and comparing against RCMP projected financials, the following observations were identified.

## Benefits and salaries



- **Budgeted Salaries and benefits are in-line with projections developed by SPS**, with a hiring plan of 180 new Sworn Officers over the course of 2024. **Timing of SPS' new officer start dates has a material impact** on the budget, as Salaries and Benefits account for 85% of total cost and drive assumptions for other operating and capital expenses.
- **As expected, base salaries and benefits for SPS Officers are higher than RCMP Officers across all ranks**, resulting in increased costs when compared to 2023 RCMP Surrey detachment and 2023. The variances between SPS and RCMP on 2024 base salary comparing equivalent ranks are 22% for recruits, 16% for Constables, 22% for Sergeant (SPS) vs Corporal (RCMP), and 12% for Sergeants (See Appendix D for comparison). SPS salaries are higher since RCMP salaries are negotiated nationally, and SPS reflects the **relatively higher cost of living in Surrey**. SPS offers **salaries competitive with nearby jurisdictions** (such as the Vancouver Police Department) to attract talent. Difficulties in hiring the right talent and at the intended schedule would also lead to higher salaries.
- The SPU collective agreement expires at year-end fiscal 2024 and has no impact on 2024 budgeted figures. Revisions to salary and benefit costs is expected after the collective bargaining agreement is finalized. RCMP Officers are currently negotiating a new collective agreement that will be retroactively applied to April 1, 2023. As such, the projected RCMP budget amounts for 2024 will be impacted by ongoing negotiations. The Bank of Canada inflation guidance was used to estimate yearly RCMP salary escalation for 2024.

## Other Expenditures



- Assumptions around other expenditures were also tested, arriving at a figure 10% less than SPS' budget. Variation lies in supplies and materials. However, **RCMP's other operating expenses are 26% higher per Sworn Officer, due to Divisional Administrative costs (civilians and headquarters support)**. SPS may achieve savings in other expenditures compared to RCMP once it reaches steady state, partially compensating for higher salaries in SPS.
- **Training expenses are high during the setup of SPS**, due to the 2024 hiring plan of 180 Sworn Officer. The high number of new recruits attending JIBC should normalize to lower levels once SPS reaches steady state. Also, SPS operational training costs for new and experienced officers are higher relative to the RCMP. It costs roughly \$25,594 to train a new SPS recruit (recruits pay an additional \$16,081 themselves), compared to \$6,649 for an RCMP Cadet.

## Capital Expenditures - Equipment



- **Capital expenditures have a high level of uncertainty** because the asset transfer plan from the RCMP to SPS is currently being developed by SPS, the RCMP and the SIA.
- SPS Provisional Budget for capex is higher than RCMP to account for incremental spend to build inventory stocks and overlap of assets as new assets are purchased and old assets are decommissioned.
- Both SPS and RCMP require additional investment in marked and unmarked police vehicles. The Federal cost share is only applicable to RCMP vehicle purchases and may prohibit the transfer of RCMP vehicles to SPS. Therefore, SPS budget only accounts for SPS vehicle investments. Potential delays in the timeline for the transition process could result in higher overall combined expenditures than currently anticipated.

## Capital Expenditures - IT



- **There is a significant investment required to stand-up an independent SPS IT systems** (public services and internal functions). These IT capital costs have been covered by the Transition Fund. \$22.8M is expected to be spent by 2023 year-end and an additional \$12.5M is planned to be spent in 2024, reaching the steady-state for IT systems in 2024.
- **RCMP systems are cheaper to operate due to Federal procurement practices and shared services**. However, these expenses are recurring every year, whereas for SPS it is a one-off initial investment to set up its infrastructure.

## Transition specific costs



- **Transition costs** are defined as expenses required to stand-up the SPS as an independent Municipal Police service. These expenses are necessary to get the SPS to a position of readiness to assume the responsibility for the City's policing and **will disappear or reach normal steady state levels as RCMP rolls off**. The City of Surrey allocated \$63.6M to the One Time Policing Transition Project Fund. SPS expects to spend \$15.3M in 2024, for IT Capital projects as described above (82%) and the HR costs necessary to support the ambitious hiring plan for the year. With this estimate, **93% of the fund would be spent by the end of 2024**, leaving \$4.5M available for 2025 when SPS should be reaching business as usual.



# 2024 Provisional Budget

---



# Provisional Budget Overview

The 2024 Provisional Budget is estimated to be \$143M; \$1.5M less than the 2024 SPS Budget. The Provisional Budget was drafted based on inputs and interviews with the SIA and SPS.

## Key Guidelines

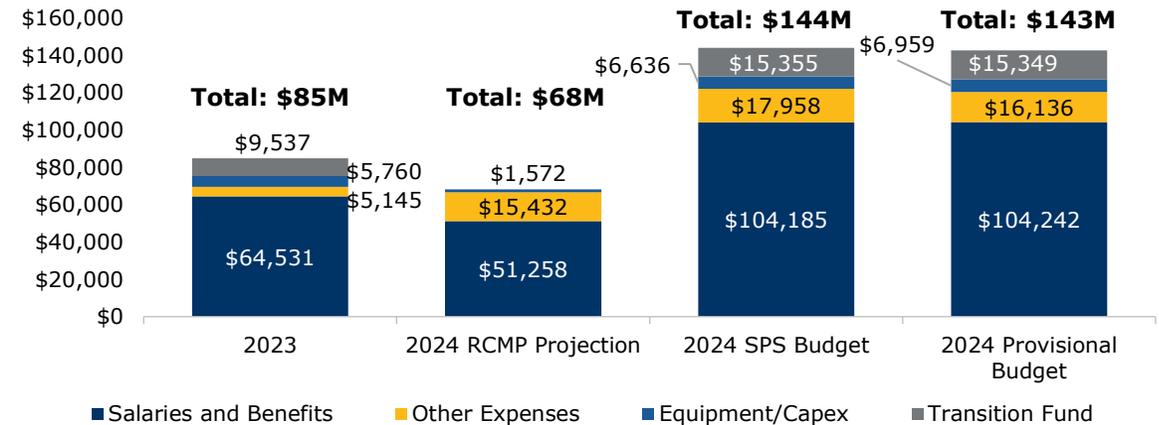
- The transition from RCMP to SPS will occur gradually while preserving officer and public safety as well as adequate and effective policing service levels.
- SPS will continue to operate in conjunction with RCMP until SPS attains full functionality.

## Key Assumptions

- **SPS expects to hire 180 Sworn Officers in total during 2024.** It is assumed that 135 experienced officers from other jurisdictions will join throughout the year, while 45 recruits will join in three distinct cohorts in April, August, and December 2024.
- Experienced police officers are expected to be deployed 8 weeks after hiring, while new recruits are expected to start one year later due to 10-month training requirements at JIBC.
- **SPS anticipates hiring 23 civilian FTEs in 2024** to reach end-state headcount requirements of 81 civilians. Civilians are budgeted for 80% of their time, as they will be hired in the first 3 months of 2024, as confirmed with SPS.
- Salaries for Sworn Officers are averaged across Steps for each grade (except Constables which is averaged between Steps 5-8, and new recruits is based on Step 1). Salaries for civilians are averaged across all grades using the highest Step. Current salary amounts for 2024 were provided by SPS and has already accounted for yearly salary escalation as prescribed under the current SPS CBA. **The SPS collective agreement expires at year-end fiscal 2024 and has no impact on 2024 budgeted figures.**
- Equipment / Capital Expenses include costs associated with providing Sworn Officers with necessary equipment as well as building a sufficient inventory contingency.
- Transition Fund captures costs associated with IT infrastructure and projects, salaries for temporary civilians (11 auxiliary staff with a further **nine to be hired in 2024 will support the transition until 2026**), Sworn Officers recruitment, communication/marketing services, and financial services.
- Other Expenditures include training and recruitment expenses, professional services, communication, administration, and supplies & materials. Majority of Other Expenditures is calculated based on historical costs and prorated for FTE increase.

## Projected Operating Costs

### Budget Comparison (\$000s)



- **Salaries and Benefits** are forecasted to be \$104.1M for 2024 in the Provisional Budget obtaining a similar result as the SPS budget, which confirms the reasonability of the assumptions used.
- **Other Expenditures** are forecasted to be \$16.1M; \$1.9M less than the 2024 SPS budget. This is largely due to lower forecasted amounts for supplies & materials and lease & rentals expenditures, as a result of more conservative assumptions around fuel consumption expenses.
- **Equipment/Capital Expenses** are forecasted to be \$7M: \$2.6M for the police fleet, \$2M for personal issue equipment, \$1.7M for use of force equipment, and \$0.6M for specialty equipment and facilities.
- In 2024, the **Transition Fund** will be used to finance IT Capital projects for \$12.5M and expenses related to the transition and talent attraction for \$2.8M for a total spend of the fund in 2024 of \$15.3M, in-line with the estimates from SPS.

# Provisional Budget Assumption Summary

The factors driving the budget are assumptions on the hiring cadence, headcount, and salary.

General	Value Assumed	Rationale
Inflation for operating costs excl. salary	2.5%	<ul style="list-style-type: none"> <li>Applied to operating costs based on Bank of Canada projection.</li> </ul>
Inflation for base salary	3%	<ul style="list-style-type: none"> <li>No inflation is applied. 2024 salary and wage schedules (which already considers adjustments from 2023) provided by SPS were used. Salary is based on 2024 schedule provided by SPS. The SPS collective agreement expires at year-end fiscal 2024 and has no impact on 2024 budgeted figures. In the case that salary inflation was applicable, no assumptions are made on the possible outcome of future collective bargaining, and 3% will be used as instructed by the SIA.</li> </ul>
Rank Distributions	Various	<ul style="list-style-type: none"> <li>SPS ranks are CC, DCC, SI, I, STS, S and C. The distribution is based on schedule provided by SPS and outlined in detail in Appendix B: SPS Assumptions.</li> </ul>
Hiring Plan	Various	<ul style="list-style-type: none"> <li>SPS expects to attract a total of 180 Sworn Officers and 32 civilians throughout the year. SPS has estimated to reach in 2024 its desired level of ranks above Constable with 135 Sergeants, 29 Staff Sergeants and 25 Inspectors (+78). Additionally, SPS expects to attract 102 Constables, of which 57 would be experienced officers and 45 new recruits.</li> </ul>
Cost assumptions		
Salaries - Regular	Various	<ul style="list-style-type: none"> <li>Salary is based on 2024 schedule provided by SPS. Sworn Officer salary is averaged across Step for each grade (except for Constables which is averaged across Step 5-8, and Constable recruits are based on Step 1). Civilian salary/wage is averaged across EE group (Exempt vs Unionized) using the highest Step.</li> </ul>
Hiring Cadence	50% (Sworn) 80% (Civilian)	<ul style="list-style-type: none"> <li>Hiring cadence for Sworn Officers (except new recruits) are assumed to be constant throughout the year. New recruits are hired in equal cohorts in April, August, and December to coincide with training dates. Civilians are assumed to be budgeted for 80% of the year, consistent with the City's budgeting practices.</li> </ul>
Overtime, benefits and other staffing costs	Various	<ul style="list-style-type: none"> <li>Overtime, Wellness pay, Shift differential, clothing allowance assumed as either per FTE or % of base salary. Overhead is a % of base salary, and is calculated based on the Sworn Officers EE group, which represents the largest population.</li> </ul>
Other Expenditures	Various	<ul style="list-style-type: none"> <li>Travel, telecommunication, professional services, rental, vehicle maintenance and supplies and materials assumed as either per FTE or historical cost.</li> </ul>
Equipment / Capital Expenditures	Various	<ul style="list-style-type: none"> <li>Estimates based on the required investments to build capacity within the SPS and deploy the expected quantity of police officers in 2024, considering already existing inventories and contingencies required (10% for personal issue equipment, unless otherwise noted).</li> </ul>
One-Time Policing Transition Fund	Various	<ul style="list-style-type: none"> <li>In 2020, the City of Surrey committed to and set aside \$63.6M for the police transition project. This fund was established to support SPS' initial startup costs and to build the IT infrastructure required by SPS to become the Police of Jurisdiction. In 2024, the Transition fund will be used to finance IT Capital projects for \$12.5M and expenses related to the transition and talent attraction for \$2.8M.</li> </ul>

# 2024 Provisional Budget

SPS forecasts a total number of 526 Sworn Officers by end of 2024 whilst RCMP works to demobilize its workforce. A detailed variance analysis across cost categories is outlined in the following sections.

## Detailed Provisional Budget

Operating and Transition Costs (in CAD)	2024 Provisional Budget	SPS Budget 2024	RCMP Budget 2024	2024 Provisional vs. SPS Budget Variance	2024 Provisional vs. RCMP Budget Variance
<b>Sworn Officers</b>	<b>526</b>	<b>526</b>	<b>308</b>		
<b>Board Remuneration</b>	<b>\$180,000</b>	<b>\$180,000</b>	<b>\$0</b>	<b>0%</b>	<b>0%</b>
<b>Salaries and Benefits</b>	<b>\$104,061,778</b>	<b>\$104,005,049</b>	<b>\$51,257,578</b>	<b>0%</b>	<b>103%</b>
Salaries - Regular	72,200,384	72,476,748	36,966,432	0%	95%
Overtime	5,131,873	5,091,467	4,315,614	1%	19%
Benefits and other staffing costs	26,729,521	26,436,834	9,975,532	1%	168%
<b>Other Expenditures</b>	<b>\$16,135,782</b>	<b>\$17,958,285</b>	<b>\$15,432,040</b>	<b>-10%</b>	<b>5%</b>
Training & Recruitment	2,075,469	2,174,433	0	-5%	0%
Professional Services	2,021,529	2,021,529	2,184,573	0%	-7%
Communication	1,654,640	1,676,913	262,264	-3%	531%
Administration	9,139,098	9,727,709	12,073,521	-6%	-24%
Supplies and Material	1,245,046	2,357,702	911,682	-47%	37%
<b>Equipment/Capital Expenditures</b>	<b>\$6,958,587</b>	<b>\$6,636,384</b>	<b>\$1,572,336</b>	<b>5%</b>	<b>343%</b>
Equipment - Use of Force Equipment	1,729,468	1,708,643	n/a	1%	n/a
Personal Issue Equipment	2,000,933	1,877,291	n/a	7%	n/a
Specialty Equipment	481,186	469,450	n/a	2%	n/a
Facilities	108,650	106,000	n/a	2%	n/a
Police Fleet	2,638,350	2,475,000	n/a	7%	n/a
<b>One-Time Policing Transition Fund</b>	<b>\$15,348,807</b>	<b>\$15,354,815</b>	<b>n/a</b>	<b>-1%</b>	<b>n/a</b>
IT Capital Expenses	12,536,455	12,536,455	n/a	0%	n/a
Other Capital Expenses	0	0	n/a	0%	n/a
Other Transition Costs	2,812,352	2,818,360	n/a	-7%	n/a
<b>Total Operating and Transition Costs</b>	<b>\$142,648,954</b>	<b>\$144,134,533</b>	<b>\$68,261,954</b>	<b>-1%</b>	<b>109%</b>

## Key Observations



### Salaries and Benefits\*

- Estimates at \$104M in both SPS' models for 2024 **confirms the reasonability of assumptions**. SPS Recruits and Constables are paid 22% and 16% higher than their RCMP counterparts, respectively. While SPS Sergeants are paid 22% and 12% than RCMP Corporal and Sergeants, respectively.



### Other Expenditures

- Other Expenditures are estimated at \$16.1M in the Provisional Budget, 10% less than SPS estimates, with variation on assumptions under supplies and materials. However, administration expenses per FTE in RCMP are higher than SPS', which indicate **potential savings in the coming years as transition advances** that could potentially partially compensate the higher salaries cost inherent to SPS.



### Equipment/Capital Expenditures

- Equipment/Capital Expenditure is estimated at \$7.0M, with investments in ammunition and personal use equipment aligned with FTE growth and existing inventories. Also, the police fleet represents 38% of total capex, as SPS expects to purchase 26 additional vehicles, aligned with the current annual replacement of RCMP vehicles.



### Transition Fund

- In 2024, the Transition Fund will be used to finance **IT Capital projects for \$12.5M** and expenses related to the transition and talent hiring plan for \$2.8M.



\*Note: RCMP Officers are currently negotiating a new collective agreement that will be retroactively applied to April 1, 2023.

# 2024 Provisional Budget | Board Remuneration

Budget for Board Remuneration is the same between the SPS Provisional Budget and SPS Budget. RCMP does not have a Police Board.

## Key Observations



**Board Remuneration in 2024 is budgeted for \$180,000 in both the SPS Provisional Budget and SPS Budget.** The amount is based on the 2022 approved budget of \$180,000 per the 'Surrey Police Board - 2021 Per Diems' letter for the Surrey Police Board. No inflation applied given history of consistent budgeted spend.



**Board Remuneration captures SPS' compensation to the Surrey Police Board (SPB).** Effective November 16, 2023, British Columbia's Public Safety Minister and Solicitor General suspended the Surrey Police Board and appointed an Administrator for the transition period.



Board compensation is included in the 2024 Provisional Forecast as it is uncertain as to when the SPB will be reinstated thus deemed reasonable to forecast considering the unprecedented times and key upcoming transition decisions.



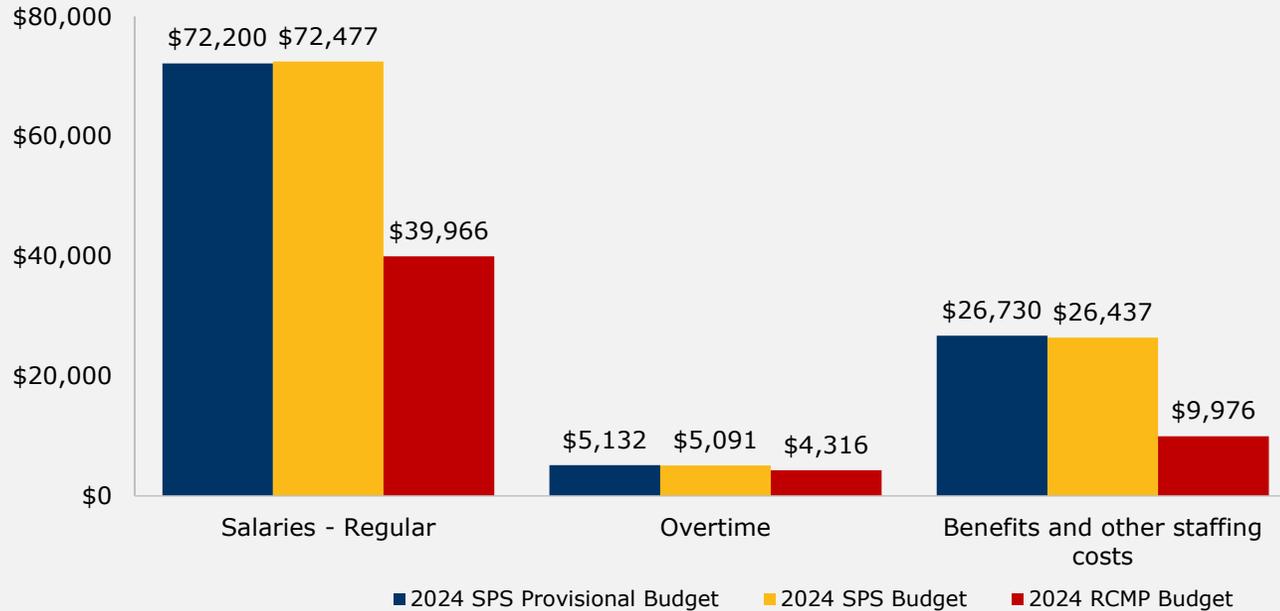
**RCMP does not have a Police Board** as such there are no comparable costs.



# 2024 Provisional Budget | Salaries & Benefits

Both the SPS Provisional Budget and SPS Budget forecast \$104M on Salaries and Benefits.

## 2024 Salaries & Benefits Forecast (\$'000s)



	2023	2024	
	Ending Officers	SPS Officers Hired / RCMP Officers Demobilized	Ending Officers
<b>Total Sworn SPS / RCMP Officers</b>	<b>834</b>	<b>N/A</b>	<b>834</b>
<b>Total Sworn SPS Officers</b>	<b>346</b>	<b>180</b>	<b>526</b>
<b>Total Sworn RCMP Officers</b>	<b>488</b>	<b>(180)</b>	<b>308</b>
<b>Total SPS Civilians</b>	<b>69</b>	<b>32</b>	<b>101</b>

## Key Observations



The Provisional Budget is based on SPS historical actuals for years 2020-2023 and **assumes a constant rate of hiring** throughout the year given the difficulty forecasting exact deployment dates as well as in consideration of SPS' operating model decisions and planning.



SPS' budget includes a **comprehensive personnel and salaries schedule for all forecasted officers and civilians** for 2024 (627 headcount by year-end) including: health and wellness, clothing allowance, STAT allowance, wellness pay, extended overtime, training days, leave bank, STEP, and performance bonus. However, given the difficulty in forecasting actual employee movement, generalizations were made using average salaries across Steps for each rank for Sworn Officers, and average across all grades for civilians. RCMP's Salaries and Benefits is inclusive of salary by RCMP rank, shift differential pay, service pay, general benefits, member pension and CPP, as well as a salary inflation factor of 3.1%.



**Base salaries and benefits for SPS Officers are higher than RCMP Officers across all ranks;** since RCMP salaries are negotiated at the Federal level and do not consider Surrey's cost of living. In addition, as the SPS is a new police service, they must offer competitive salaries with nearby jurisdictions such as the Vancouver Police Department and higher wages to incentivize new hires and for retention.



Furthermore, **RCMP assumes the demobilization of 180 Sworn Officers during fiscal year 2024** (36.8% workforce reduction). As such, there is a significant disparity in forecasted cost comparative to SPS Budget 2024.



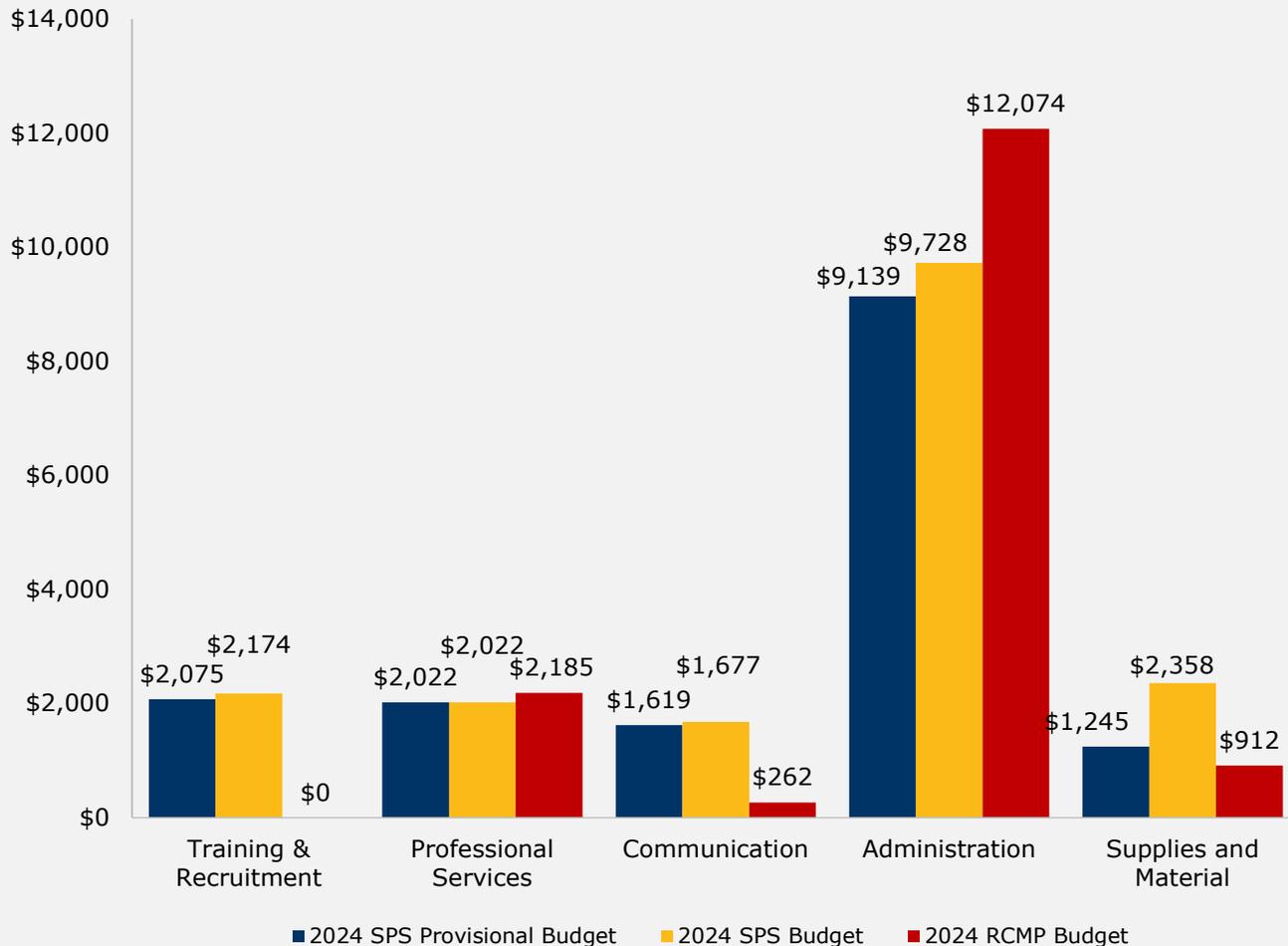
RCMP currently renegotiating collective bargaining, which will be applied once approved retroactive to April 1, 2023.



# 2024 Provisional Budget | Other Expenditures

The SPS Provisional Budget forecasts \$16.2M for Other Expenditures, or \$1.8M below the SPS Budget. The variance is due to supplies and materials, and administration costs.

2024 Other Expenditures Forecast (\$000s)



## Key Observations



**Supplies and Materials balance in the 2024 Provisional Budget is 47% less than the SPS Budget.** SPS has forecasted for fuel consumption although it is unknown whether SPS will have vehicles on the road in 2024.



The **variance between RCMP and SPS budget is due to the inclusion of the Divisional Administrative cost**, which provides support from BC and National Headquarters. Costs associated with SPS administrative support is included in the Salaries and Benefits category. The difference between the SPS Provisional Budget and SPS Budget is due to SPS' assumption of above general cost inflation.



**Other Expenditures per Sworn Officer is \$34,141 for SPS and \$50,104 for RCMP in 2024 which is 39% higher than SPS.** This is due to the RCMP's Divisional Administrative cost, costs associated with SPS administrative support is included in the Salaries and Benefits category. Other Expenditures per Sworn Officer for the 2024 Provisional Budget was estimated at \$30,676.

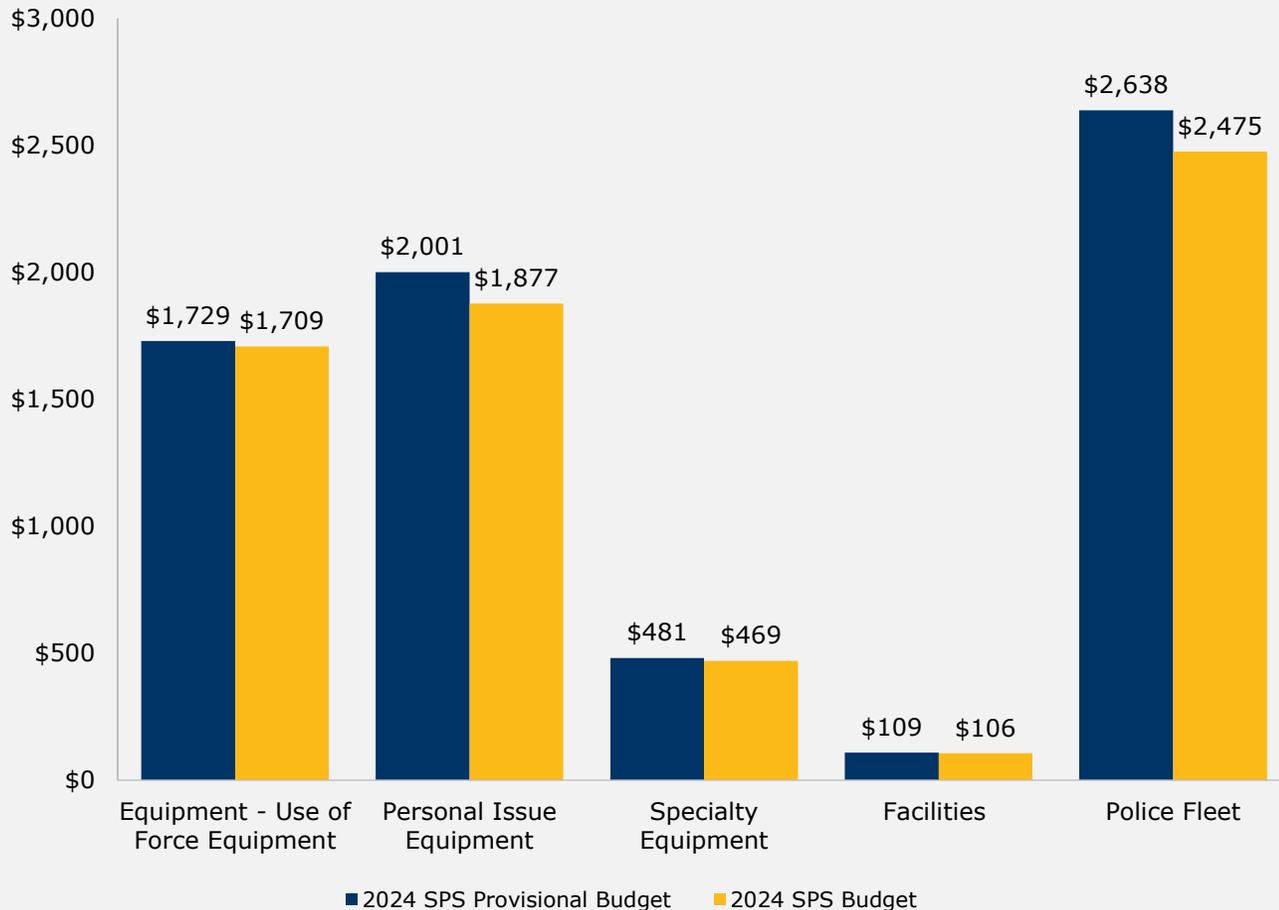


SPS Training & Recruitment costs for new and experienced officers are higher relative to the RCMP. It costs roughly \$25,954 to train a new SPS recruit (new recruits pay an additional \$16,081 themselves), compared to \$6,649 for an RCMP Cadet. The SPS 2024 hiring plan expects to recruit 45 new officers who will need to go through training at JIBC. RCMP is demobilizing in 2024 as such is forecasted to not incur training costs for 2024. **As SPS reaches steady-state in 2026 and beyond, training costs are expected to decrease aligned with reduction in recruitment needs.**

# 2024 Provisional Budget | Equipment / Capital Expenditures

Both the SPS Provisional Budget and SPS Budget forecast \$7M in Capital Expenditures in 2024. Costs are driven by outfitting Sworn Members with necessary use of force and personal issue equipment and building related contingency inventory.

## 2024 Equipment / Capital Expenditures Forecast (\$000s)



## Key Observations



**Capital expenditures are expected to have a high level of uncertainty in the absence of a clear asset transfer plan from RCMP to SPS.**



SPS Provisional Budget for capex is higher than RCMP to account for incremental spend to build initial inventory of use of force equipment and personal issue equipment.



The equipment / capital expenditures per Sworn Officer are \$12,617 for SPS and \$5,055 for RCMP for 2024. The equipment / capital expenditures per Sworn Officer for the Provisional Budget is \$13,229



Forecasted SPS investment in personal issue equipment and use of force equipment inventory stockpiles. As items have long life-spans, **spend is expected to decrease materially after 2024 / 2025 when transition is complete**



SPS is incurring capital expenditures to outfit its Sworn Officers with use of force and personal issue equipment, as well as building a healthy contingency. While SPS is tentatively expecting a transfer of vehicles from RCMP, SPS is building a fleet in anticipation of the replacement cycle for RCMP vehicles.

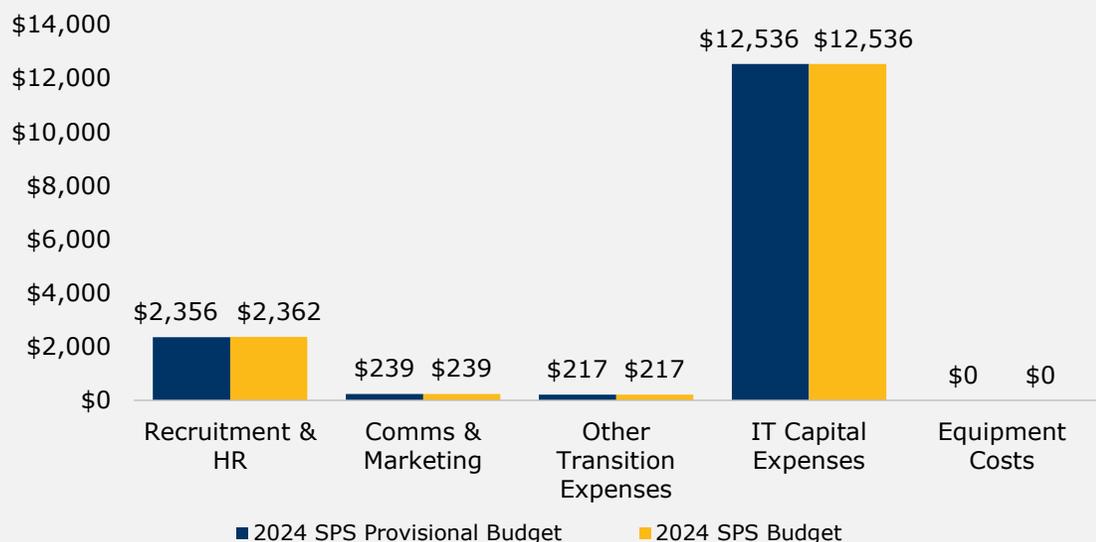
**Note:** A breakdown of RCMP costs is not available.



# 2024 Provisional Budget | One-time Policing Transition Fund

Various transition specific costs will either disappear or reach normal business-as-usual levels once the SPS is ready to become Police of Jurisdiction for the City of Surrey.

## 2024 One-Time Policing Transition Fund Forecast (\$'000s)



	2020 – 2022 SPS Actuals	2023 SPS Projected	2024 Provisional Budget	Total
Recruitment & HR	\$7,423	\$3,432	\$2,356	<b>\$13,211</b>
Comms & Marketing	\$919	\$185	\$239	<b>\$1,343</b>
Other Transition Expenses	\$2,551	\$304	\$217	<b>\$3,073</b>
IT Capital Expenses	\$17,854	\$3,649	\$12,536	<b>\$34,040</b>
Equipment Costs	\$5,555	\$1,967	\$0	<b>\$7,522</b>
<b>Total</b>	<b>\$34,301</b>	<b>\$9,537</b>	<b>\$15,349</b>	<b>\$59,187</b>

Transition costs are defined as those required to stand-up the SPS as an independent Municipal Police Service. These expenses are necessary to get the SPS to a position of readiness to assume the responsibility for the City's policing and will disappear or reach normal steady state levels as RCMP rolls off. These expenses fall into the following categories:

- 1. Recruitment & HR:** Specific costs related to attracting the talent SPS needs in the numbers and timelines required, including the assessment of potential candidates, new talent onboarding, and having the HR resources required to support the transition and its accelerated hiring plan. Temporary civilians hired for this task are expected to roll-off in 2026.
- 2. Communications & Marketing Costs:** Cost associated to public relations and brand development of the new organization as transition progresses. This budget should reach steady state levels in 2026.
- 3. Equipment Costs:** Costs associated with acquiring the equipment to support the newly formed police service, such as patrol vehicles, firearms, uniforms, among others. This budget should reach steady state levels in 2026. There is no budget in 2024 as SPS will procure equipment using SPS funds.
- 4. IT Capital Expenses:** Costs related to setting up the IT operating systems and infrastructure. These costs include: datacenter, network services hardware and software, end user IT equipment, Disaster Recovery infrastructure, provincially mandated policing tools such as Prime BC, Radio and Dispatch. There are also the costs related to implementing other tools necessary to run policing operations, such as Business Intelligence and Data Analytics tools, specialized policing applications, body worn cameras, evidence management tools, forensics hardware and software, among others. Finally, the implementation of administrative and business tools necessary to run SPS are also included. All IT Capital spending is expected to finish in 2024, with the expense disappearing for 2025.
- 5. Other Transition Expenses:** Legal fees, consulting fees, financial services and other administrative costs associated with the transfer of the police service. This budget should no longer be necessary in 2025.

In 2020, the City of Surrey committed to and set aside \$63.6M for the police transition project. SPS expects to spend \$15.3M in 2024, 82% for IT Capital projects and the HR costs necessary to support the ambitious hiring plan for the year. With this estimate, **93% of the fund would be spent by the end of 2024**, leaving \$4.5M available for 2025 when SPS should be reaching business as usual.

# Risk Assessment Overview

There are inherent risks in any budgetary exercise and would require supporting mitigative strategies to address.



A total of **10 risks specific to the Provisional Budget were identified and assessed.**

Each risk documented in the detailed Risk Log proceeding have been evaluated from a risk perspective based on:

1. The **severity of the impact** should the risk actually occur (i.e., the consequence), and
2. The **probability of the occurrence** (i.e., the likelihood)

A risk exposure that is low in impact and low in probability requires minimal attention/awareness and no immediate action(s) required. A risk exposure that is high in impact and high in probability should be given significant attention to eliminate and/or control the risk.

## Risk Level Descriptions:

		Probability <sup>2</sup>		
		Low	Medium	High
Impact	High	Low probability of event/incident occurring, requires immediate action by management to triage and address the risk.	Moderate probability of event/incident occurring, requires immediate action by management to triage and address the risk.	Significant probability of event/incident occurring, requires immediate action by management and the Board to triage and address the risk.
	Medium	Low probability of event/incident occurring, requires management's attention and moderate level of resources.	Moderate probability of event/incident occurring, requires management's attention and moderate level of resources.	Significant probability of event/incident occurring, requires management's attention and moderate level of resources.
	Low	Low probability of event/incident occurring, management attention not required.	Moderate probability of event/incident occurring, management attention not required.	Significant probability of event/incident occurring, management attention not required.



Select risks can be mitigated with well-coordinated planning and communication focused on maintaining stakeholder trust and engagement. Expect the following likelihood ratings would decrease as more information is gathered, and targeted risk mitigation and project management efforts are implemented.

**Note:** 1. Business risks associated with normal business practices or enabling business functions have been excluded from the Risk Assessment (e.g., cybersecurity, misappropriation of funds, fraud, etc...); 2. Probability is assessed based on a six (6) month horizon of the event/incident happening

# Risk Assessment | Detailed Risk Log (1/2)

The Provisional Budget is likely to be impacted by risks across a range of categories that should be monitored and addressed, including general, financial and talent risks.

Risk Category	#	Risk	Description	Potential Mitigation	Impact	Probability
General	1	<b>Transitional uncertainty</b>	Misalignment from stakeholders on the transition might put additional strain on SPS' operations. Uncertainty in terms of the economy, social stability, affordability, homelessness and the upcoming post covid mortgage renewals can potentially affect policing in this city. There may be additional operational needs.	<ul style="list-style-type: none"> <li>Continuously monitor service levels KPIs to assess potential changes needed to operational levels</li> </ul>		
	2	<b>Misalignment between stakeholders</b>	Misalignment between the Province, the City, SPS and RCMP may hinder the transition process, delaying SPS' readiness and deteriorating the service levels required by the City for effective policing.	<ul style="list-style-type: none"> <li>The established project governance will dictate the decision-making and escalation process. Throughout the transition, consult stakeholders and facilitate discussions with the SPB to create an assessment criteria, which will be used to assess options that holistically considers the various – and potentially competing – requirements and objectives of each stakeholder for the overall benefit of City of Surrey citizens</li> </ul>		
Financial	3	<b>Inflationary cost environment</b>	The risk of inflated costs associated to labour and other critical inputs is high as costs have been rising in recent years. Continued inflation could put significant pressure on SPS' bottom line.	<ul style="list-style-type: none"> <li>Conduct scenario analysis to model scenarios based on variable labour and other input costs to inform the financial model and pressure-test to ensure SPS can withstand rising costs. Prioritize labour and input-efficient operations through technology selection process.</li> </ul>		
	4	<b>Limited access to data &amp; supporting information</b>	Incomplete information or limited access to data could lead to unclear / inconsistent assumptions	<ul style="list-style-type: none"> <li>Ensure project governance is set with clear decision making and escalation processes.</li> </ul>		
	5	<b>Asset Transfer uncertainty</b>	Capital Expenditure estimates might be impacted by the first right of refusal RCMP has over certain assets, which may refuse to transfer the items to SPS if there are competing priorities. Additionally, some of the RCMP assets might be considered antiquated by SPS.	<ul style="list-style-type: none"> <li>Create, in collaboration with RCMP, a detailed asset transfer plan, including a thorough asset inventory and its state.</li> </ul>		

**Legend** |  Low  Medium  High

## Risk Assessment | Detailed Risk Log (2/2)

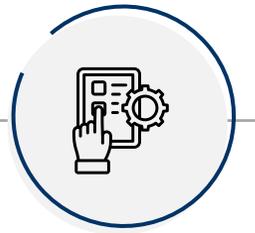
The Provisional Budget is heavily dependent on talent attraction assumptions. The below summarizes talent related risks that might impact the analysis.

Risk Category	#	Risk	Description	Potential Mitigation	Impact	Probability
Talent	6	<b>Talent attraction &amp; retention</b>	Attracting 180 police officers could take longer than anticipated due to competing cities such as Vancouver also hiring. Attracting talent and talent retention could also be affected by the political uncertainty around SPS.	<ul style="list-style-type: none"> <li>Receive support for SPS' talent attraction plan from the different stakeholders.</li> </ul>		
	7	<b>Recruiting cadence</b>	Changes to the recruitment cadence will materially affect the staffing costs estimated for the 2024 budget.	<ul style="list-style-type: none"> <li>Continuously measure progress on the hiring plan to take remediation actions on time in case of significant variations.</li> </ul>		
	8	<b>FTE assumptions</b>	Different assumptions on the overall budget rely heavily on the number of FTE expected to be incorporated to SPS. Any changes to those assumptions can materially change the results.	<ul style="list-style-type: none"> <li>Receive support for SPS' talent attraction plan from the different stakeholders. Continuously measure progress on the hiring plan to take remediation actions on time in case of significant variations.</li> </ul>		
	9	<b>Lags in RCMP demobilization</b>	Lags in RCMP Officers demobilization timelines (in cadence with SPS deployments) can affect the cost of policing for the City.	<ul style="list-style-type: none"> <li>Carefully design an HR transition plan to account for RCMP demobilization. Design efficient training and onboarding processes in SPS.</li> </ul>		
	10	<b>Application of established capabilities</b>	There is the inherent risk surrounding the application of select core capabilities and enabling functions from RCMP. Until SPS are declared "Police of Jurisdiction" they cannot provide officers to joint agency operations, such as IHIT. As such, some key capabilities may not be as flexible for integration. This could slow SPS' transition to any of these types of units in the Lower Mainland District.	<ul style="list-style-type: none"> <li>Attract skilled and experienced talent and plan specific training needs to be ready to be part of the various integrated teams.</li> <li>Prioritize equipment needs with a specific technology selection process to be ready to transition.</li> <li>Conduct scenario analysis based on variable labour and other input costs to inform the financial model and pressure-test SPS' readiness to join integrated teams.</li> </ul>		

**Legend** |  Low  Medium  High

# SPS 2024 Operational Budget

---



# SPS Budget Overview

The 2024 SPS Budget was created by the SPS Finance department, based on the current state of transition as informed by key stakeholders and available historical information.

## Key guidelines

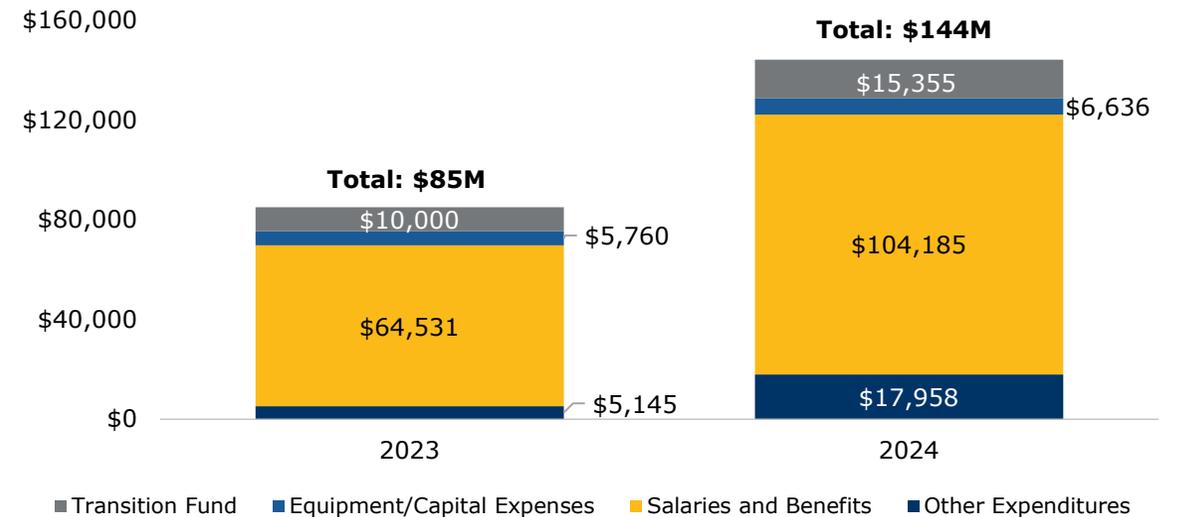
- The transition from RCMP to SPS will occur gradually while preserving officer and public safety as well as adequate and effective policing service levels.
- SPS will continue to operate in conjunction with RCMP until SPS attains full functionality.

## Key assumptions

- SPS expects to hire **180 additional Sworn Officers** during the 2024 to reach a total police force of 526 by year-end resulting in 62% of the required headcount. Note, the total year-end headcount includes both deployed officers and new recruits (in training, not deployed).
- SPS estimates to hire **23 FTEs to reach a headcount of 81 civilians**, and 9 additional temporary positions to support the transition.
- **Salary increase is estimated at 3% for 2024.** Upcoming collective bargaining agreements (“CBAs”) were out-of-scope, as negotiations are upcoming and will not be impacted by the SPS 2024 Budget. The SPS collective agreement expires at year-end fiscal 2024 and has no impact on 2024 budgeted figures. Current salary amounts for 2024 were provided by SPS and account for yearly salary escalation per the current SPS CBA.
- **Experienced police officers are expected to be deployed 8 weeks after hiring**, while for new recruits the timeline is estimated at one year due to their 10-month training at JIBC.
- Other Operating Expenditures include training and recruitment expenses, professional services, communication, administration and supplies & materials.
- Equipment / Capital Expenses include costs associated with providing Sworn Officers with necessary use of force and personal issue equipment and related inventory contingency, as well as budgetary contingency due to cost uncertainties.
- **The Transition Fund is used for IT infrastructure and projects, and expenses related to the transition and developing SPS’ IT capabilities.** This is a high-cost account as SPS will need to stand up new IT systems for operation since there will be no transfer of IT software or hardware from RCMP to SPS.
- Facilities are owned by the City thus significant facility infrastructure investments are out of scope from the 2024 Provisional Budget.

## Projected Operating Costs

### Comparative 2023 Projection – 2024 SPS Budget (\$000s)



- Salaries and Benefits are forecasted at \$104M for 2024; an increase of \$40M from 2023 due to the increase in headcount of 180 Sworn Officers and 32 Civilians.
- Other Expenditures are forecasted at \$18M; increase of \$5.1M compared to 2023. The increase is driven by IT expenses, as SPS develops operational policing capabilities.
- Equipment/Capital Expenses is forecasted to be \$6.6M. Investments include \$1.1M for ammunition, \$1.9M for personal use items and \$2.5M for the police fleet.
- In 2024, the Transition Fund will be used to finance IT capital projects (\$12.5M) and expenses related to the transition and talent attraction (\$2.8M).

# SPS Budget Overview

Below are the results for the 2024 Budget compared to 2023 Projections.

## Detailed budget

Cost (in CAD)	2023 Projection	2024 Budget
<b>Costs</b>		
<b>Board remuneration</b>	<b>\$93,771</b>	<b>\$180,000</b>
<b>Salaries and Benefits</b>	<b>\$64,437,473</b>	<b>\$104,005,049</b>
Salaries - Regular	62,734,071	72,476,748
Overtime	1,334,985	5,091,467
Benefits and other staffing costs	368,417	26,436,834
<b>Other Expenditures</b>	<b>\$5,145,336</b>	<b>\$17,958,285</b>
Training & Recruitment	1,123,700	2,174,433
Professional services	866,064	2,021,529
Communication	403,063	1,676,913
Administration	1,948,535	9,727,709
Supplies and Material	803,974	2,357,702
<b>Equipment / Capital Expenditures</b>	<b>\$5,760,097</b>	<b>\$6,636,384</b>
Police fleet	2,120,870	2,475,000
Other equipment	3,639,227	4,161,384
<b>One-Time Policing Transition Fund</b>	<b>\$9,537,050</b>	<b>\$15,354,815</b>
IT Capital Expenses	3,649,143	12,536,455
Other Transition Costs	<b>5,887,907</b>	2,818,360
<b>Total Costs</b>	<b>\$84,973,727</b>	<b>\$144,134,533</b>
<b>FTE (Sworn Officers)</b>	<b>346</b>	<b>526</b>

## Key Observations



**Salaries and benefits are forecasted to be \$104M for 2024**, an increase of \$39.6M from the previous year, driven by the addition of 180 new Sworn Officers and 32 Civilian FTE throughout the year per the hiring plan.



The cost of the civilian 81 FTEs will be \$11.6M, 11% of total Salaries and Benefits cost.



**Other Expenditures are forecasted to be \$18M; increase of \$5.1M compared to 2023.** The increase is driven by IT expenses under Administration, as SPS builds its operational policing capabilities. Other Expenditures growth is driven by the expanding work force deployed and the effort required to recruit and train the new talent.



**Equipment/Capital Expenditure is forecasted to be \$6.6M**, with investments in ammunition and personal use equipment aligned with FTE growth and existing inventories. The police fleet represents 37% of total capex, as SPS expects to purchase 25 additional vehicles, aligned with the current annual replacement cycle of RCMP vehicles.



In 2024, the Transition Fund will be used to finance IT capital projects (\$12.5M) and expenses related to the transition (\$2.8M).



# SPS Assumption Summary

Below are the assumptions that informed the elaboration of SPS' 2024 Budget.

General	Value Assumed	Rationale
Inflation for operating costs excl. salary	3%	Applied to operating costs based on Bank of Canada projection.
Inflation for base salary	3% 1.5% retro 2023	This was not applied in 2024 as the current collective bargaining agreement expires at end of fiscal 2024 and has no impact on 2024 budgeted figures.
Rank Distributions	Various	SPS ranks are CC, DCC, SI, I, STS, S and C. The distribution is based on schedule provided by SPS.
Hiring Plan	Various	SPS expects to attract a total of 180 Sworn Officers and 32 civilians throughout the year. By end of 2024, SPS expects to hire 78 sworn members to reach 135 Sergeants, 29 Staff Sergeants and 25 Inspectors. Additionally, SPS expects to hire 102 Constables, of which 57 would be experienced officers and 45 new recruits, bringing the total number of constables to 325.
Cost assumptions		
Salaries - Regular	Various	Values are based on rank distribution, salary and wage schedule for Sworn Officers and civilians, hiring cadence and overall inflation.
Hiring Cadence	Sworn Officers Civilians	Hiring cadence for Sworn Officers follows a detailed schedule by rank, based on current available recruitment and training capacity. New recruits are hired in equal cohorts in April, August, and December to coincide with training dates. Civilians are assumed to be budgeted for 80% of the year, consistent with the City's budgeting practices.
Overtime, benefits and other staffing costs	Various	Overtime, Benefits, Pension, CPP, Employer Contribution, Service Pay, and Shift Differential Pay assumed as either per FTE or % of base salary.
Other Expenditures	Various	Travel, telecommunication, professional services, rental, vehicle maintenance and supplies and materials assumed as either per FTE, per vehicle or historical cost.
Equipment / Capital Expenditures	Various	Estimates based on the required investments to build capacity within the SPS and deploy the expected quantity of police officers in 2024, considering already existing inventories and contingencies required. It estimates to add 25 new vehicles to the police fleet, and plans to keep the vehicles for 200,000 km, extending the useful life up to 12 years.
One-Time Policing Transition Fund	Various	In 2020, the City of Surrey committed to and set aside \$63.6M for the police transition project. This fund was established to support SPS' initial startup costs and to build the IT infrastructure required by SPS to become the Police of Jurisdiction. In 2024, the Transition fund will be used to finance IT Capital projects for \$12.5M and expenses related to the transition and talent attraction for \$2.8M.

# SPS Detailed Cost Considerations

The SPS Finance department encountered several data limitations which may impact the assumptions used and thus the accuracy of estimations.

#	Data Limitation for SPS
1	<p>SPS did not have access to detailed historical data for spending in the City's Transition Fund, which limits the understanding of what was spent in detail in:</p> <ul style="list-style-type: none"> <li>• Recruitment, Assessment, and Training</li> <li>• Human Resources</li> <li>• Communications and Marketing</li> <li>• Financial Services</li> <li>• Legal</li> <li>• Strategy and Policy</li> <li>• Information Technology Systems and Capital</li> <li>• Armory, Outfit and Other Equipment Capital</li> <li>• Fleet Conversion, Capital, and Other Infrastructure</li> <li>• Facilities Improvement and Outfitting</li> </ul>
2	SPS did not have access to actual data for Benefits, which are recorded on the City's books. SPS' work is based on estimates.
3	Capital Expenditure estimates have a high level of uncertainty in the absence of an asset transfer plan from RCMP to SPS. Estimates might be impacted by the first right of refusal RCMP has over certain assets, which may refuse to transfer the items to SPS if there are competing priorities.
4	SPS did not have access to the current inventory of RCMP vehicles, which can affect assumptions made on the SPS fleet.
5	Information Management Capital and Operating Budget relies on information provided by different parties. Contingencies were introduced to account for the unknown potential costs of certain projects.
6	Limited visibility of current police support services positions, filled and vacant, to fully inform SPS' steady state (post-transition) civilian staffing plan optimized for operational and budgeting efficiencies.
7	Limited visibility on any other implementation cost that might be driven by RCMP's or by the City's decisions, e.g. contract cancellation costs, facilities, etc..

# RCMP Transition Budget

---



# RCMP Budget Overview

Modeled using RCMP pay and rank scale along with financials from RCMP Surrey’s Multi-Year Financial Plan 2022; direct consultation with RCMP could alter these results.

## Key guidelines

- The transition from RCMP to SPS will occur gradually while preserving officer and public safety as well as adequate and effective policing service levels.
- SPS will continue to operate in conjunction with RCMP until SPS attains full functionality.

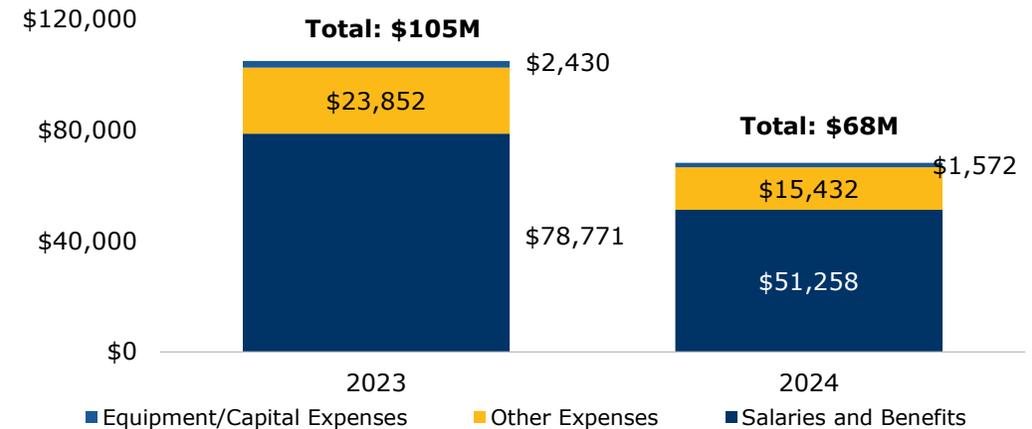
## Key assumptions

- Assumes **RCMP will have 308 Sworn Officers at 2024 year-end** in efforts to meet the target goal of 834 combined RCMP/SPS FTEs officer headcount by 2026.
- Excludes fixed costs for Integrated Teams (\$11M) to be consistent with SPS budget, which will not be able to provide officers to the Integrated Teams until they attain Police of Jurisdiction status.
- Assumes FTE reduction/transfer of 180 RCMP Sworn Officers, during fiscal 2024.
- Salaries and Benefits for 2024 is based on consistent headcount of 308 RCMP Sworn Officers.
- Excludes Federal Cost Share Amount of \$7M (10% of total cost per the MPSA) as non-RCMP police jurisdictions are not entitled to cost sharing.
- Excludes Green timbers fixed cost of \$1M (as stated in the RCMP Surrey Multi-Year Financial Plan).

\*Note. The candidate pools included in this analysis are described in Appendix A.

## Projected Operating Costs

### RCMP Costs at 308 Sworn Officers (\$000s)



- RCMP will function with 308 Sworn Officers in 2024 with a total cost of \$68M.
- **Salaries and Benefits** include Base salaries, overtime, other benefits, leaves, pensions; accounts for **75% of total operating costs**.
- **Other Expenditures** includes transportation / fuel, information, professional services, rentals, repair/maintenance, utilities and supplies and administration; accounts for **22% of total operating costs**.
- **Equipment/Capital Expenses** includes vehicle maintenance, firearms and munitions, IT equipment, software and investigative equipment; accounts for **3% of the total operating costs**.
- FTE reduction/transfer of 180 RCMP Sworn Officers to SPS during the year 2024 was the cost driver for the **reduction of \$37M from 2023 to 2024**.

# RCMP Budget Overview

Modeled using RCMP pay and rank scale along with financials from RCMP Surrey’s Multi-Year Financial Plan; Direct consultation with RCMP could alter these results.

## Detailed budget

Cost (in CAD)	Projected 2023	Budget 2024
<b>Costs</b>		
<b>Salaries and Benefits</b>	<b>\$78,771,392</b>	<b>\$51,257,578</b>
Salaries - Regular	56,809,108	36,966,432
Overtime	6,632,130	4,315,614
Benefits and other staffing costs	15,330,154	9,975,532
<b>Other Expenditures</b>	<b>\$23,851,893</b>	<b>\$15,432,040</b>
Training & Recruitment	-	-
Professional Services	3,376,850	2,184,573
Communication	403,313	262,264
Administration	18,662,479	12,073,521
Supplies and Material	1,409,251	911,682
Lower Mainland Integrated Teams	-	-
<b>Equipment/Capital Expenditures</b>	<b>\$2,430,472</b>	<b>\$1,572,336</b>
Equipment - Use of Force Equipment	-	-
Personal Issue Equipment	n/a	n/a
Specialty Equipment	n/a	n/a
Facilities	n/a	n/a
Police Fleet	n/a	n/a
Prior year capital reserve/expenditures carried over	n/a	n/a
<b>One-Time Policing Transition Fund</b>	<b>n/a</b>	<b>n/a</b>
IT Capital Expenses	n/a	n/a
Other Capital Expenses	n/a	n/a
Other Transition Costs	n/a	n/a
<b>Total Costs</b>	<b>\$105,053,757</b>	<b>\$68,261,954</b>
<b>FTE</b>	<b>488</b>	<b>308</b>

## Key Observations



Leveraging the RCMP Surrey Multi-Year Financial Plan, **total cost of \$68M is forecasted for fiscal 2024 with 308 Sworn RCMP Officers.**



A total **cost reduction of \$36M observed from 2023 to 2024** driven by an FTE reduction/transfer of 180 Sworn Officers.



Detailed Salary and Benefit costs were identified within RCMP Surrey Multi-Year Financial Plan and publicly available information. Detailed analyses on rank distribution and associated staffing costs determined a \$51M cost in 2024 associated to 308 Sworn Officers.



Total decrease of \$27M in Salaries and Benefits forecast is driven by FTE reduction/ transfer of 180 Sworn Officers



Other Expenditures includes transportation, information, professional services, rental, utilities, repair and maintenance were determined by historical cost information provided in RCMP Surrey Multi-Year Financial Plan. The 2024 forecast has an **\$8M differential to 2023 due to the reduction in FTEs.**



Equipment and Asset costs were derived from RCMP Surrey Multi-Year Financial Plan and witnesses \$1M cost reduction driven by per FTE machinery/ equipment cost as there is 180 FTE reduction



# RCMP Budget Assumption Summary

The factors driving the budget are assumptions based on headcount, salary and operating costs.

General	Value Assumed	Rationale
Inflation for operating costs excl. salary	2.5%	<ul style="list-style-type: none"> <li>Bank of Canada estimated inflation rate for 2024 (YoY) as 2.5%, as of September 2023.</li> </ul>
Inflation for base salary	3.1%	<ul style="list-style-type: none"> <li>Applied to salaries from 2023 onwards, aligned with RCMP's annual planning rate from national headquarters to support multi-year financial planning.</li> </ul>
Rank Distributions	Various	<ul style="list-style-type: none"> <li>RCMP information had provided rank distributions for 582 officers and these rank distributions were then applied to the current 308 officers.</li> </ul>
Demobilization Plan	Various	<ul style="list-style-type: none"> <li>Demobilize a total of 180 police officers and 32 civilians throughout the 2024 year.</li> </ul>
<b>Cost assumptions</b>		
Base salary	Various	<ul style="list-style-type: none"> <li>Values were derived from the publicly posted 2022 RCMP Salary documents on RCMP website.</li> </ul>
Staffing cost	Various	<ul style="list-style-type: none"> <li>Overtime, Member pension, Member CPP, Employer Contribution, Service Pay, and Shift Differential Pay assumed as either cost per FTE or percentage of base salary, based on historical cost from RCMP's Multi-Year Financial Plan.</li> </ul>
Recruitment and Training	\$6,649 per FTE	<ul style="list-style-type: none"> <li>The estimated cadet training/recruiting for RCMP Cadets as stated in RCMP's Multi-Year Financial Plan plus YoY inflation (cost not included).</li> </ul>
Operations and Maintenance	Various	<ul style="list-style-type: none"> <li>Travel, freight, telecommunication, professional &amp; specialized services, rental, vehicle repair and utilities assumed as either cost per FTE or percentage of base salary, based on historical cost from RCMP's Multi-Year Financial Plan.</li> </ul>
Equipment and Asset	\$5,105 per FTE	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) and applying inflation rate of 2.5% YoY.</li> </ul>
Division Administration	\$37,109 per FTE	<ul style="list-style-type: none"> <li>Cost per FTE applied for all officers and applying inflation rate of 2.5% YoY.</li> </ul>
Federal Cost Share Amount	10% of the total cost	<ul style="list-style-type: none"> <li>In BC, municipalities that contract with the Province to have the BC RCMP serve as their municipal police service benefit from a cost shared between the municipality and federal government. For municipalities with a population over 15,000, the cost is shared at 90% and 10% borne by the municipality and federal government, respectively. The cost share reflects the federal government's benefit of having a federal policing presence across the country, with the understanding that resources can be drawn from contract partners (i.e., municipal, provincial, territorial) and re-deployed across the country to respond to national, provincial, or territorial emergencies (e.g., wildfires) or events (e.g., G7 summit), which are beyond the policing capacity of contract partners alone.</li> </ul>

Note\* RCMP to revisit collective bargaining retroactive to April 1, 2023

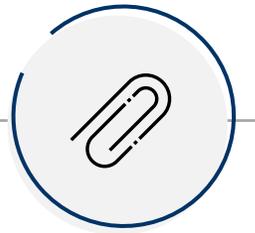
# RCMP Detailed Cost Considerations

Observed data limitations that might impact the assumptions used and thus the accuracy of estimations.

#	Data Limitation for RCMP
1	All the numbers came from the RCMP Multi-Year financial plan from 2022/2023 and still the most current and accurate.
2	No new data received from RCMP
3	No direct consultation with RCMP
4	Assumptions verified by SIA

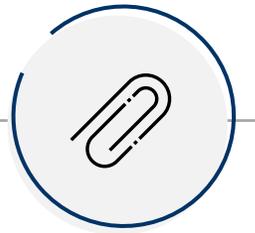
# Appendices

---



# Appendix A: Hiring Plan

---



# Hiring Plan 2024

		2023	2024		2025		2026	
		Ending Officers	Officers Hired	Ending Officers	Officers Hired	Ending Officers	Officers Hired	Ending Officers
<b>Total Sworn SPS / RCMP Officers</b>		<b>846</b>		<b>846</b>		<b>846</b>		<b>846</b>
<b>SPS Officers</b>		<b>346</b>	<b>180</b>	<b>526</b>	<b>200</b>	<b>726</b>	<b>108</b>	<b>834</b>
Chief Constable (CC)		1	0	1	0	1	0	1
Deputy Chief Constables (DCC)		3	0	3	0	3	0	3
Superintendents (SI)		8	0	8	0	8	0	8
Inspectors (I)		18	7	25	0	25	0	25
Staff Sergeants (STS)		16	13	29	0	29	0	29
Sergeants (S)		77	58	135	0	135	0	135
Constables (C)		223	57	280	155	435	63	498
Recruits		-	45	45	45	90	45	135
<b>RCMP Officers</b>	<b>Allocations</b>	<b>488</b>		<b>308</b>		<b>108</b>		<b>0</b>
Spl CST	0.0%	-	<i>n/a</i>	-	<i>n/a</i>	-	<i>n/a</i>	-
CST	64.9%	317	<i>n/a</i>	200	<i>n/a</i>	70	<i>n/a</i>	-
CPL	17.8%	87	<i>n/a</i>	55	<i>n/a</i>	19	<i>n/a</i>	-
SGT	10.5%	51	<i>n/a</i>	32	<i>n/a</i>	11	<i>n/a</i>	-
SGT MAJ	0.0%	-	<i>n/a</i>	-	<i>n/a</i>	-	<i>n/a</i>	-
S/SGT	4.0%	20	<i>n/a</i>	12	<i>n/a</i>	4	<i>n/a</i>	-
S/SGT MAJ	0.0%	-	<i>n/a</i>	-	<i>n/a</i>	-	<i>n/a</i>	-
INSP	1.6%	8	<i>n/a</i>	5	<i>n/a</i>	2	<i>n/a</i>	-
SUPT	0.7%	3	<i>n/a</i>	2	<i>n/a</i>	1	<i>n/a</i>	-
C/SUPT	0.3%	2	<i>n/a</i>	1	<i>n/a</i>	0	<i>n/a</i>	-
A/COMM	0.2%	1	<i>n/a</i>	1	<i>n/a</i>	0	<i>n/a</i>	-
<b>Total SPS Civilians</b>		<b>69</b>	<b>32</b>	<b>101</b>	<b>0</b>	<b>101</b>	<b>0</b>	<b>81</b>
Civilian Managers		12	3	15	0	15	0	15
Regular/Permanent Civilians		46	20	66	0	66	0	66
Auxiliary/Temporary Civilians		11	9	20	0	20	0	0
<b>Total Number of FTEs</b>		<b>903</b>		<b>935</b>		<b>935</b>		<b>915</b>

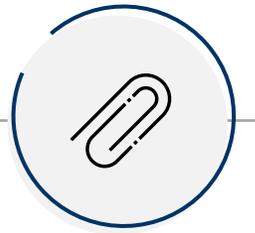


## KEY ASSUMPTIONS

Recruits are hired in equal cohorts throughout the year to coincide with JIBC training intakes (April, August, and December)

# Appendix B: SPS Assumptions

---



# SPS Assumptions (1/11)

Assumptions were derived from documents provided by SPS and discussions.

#	Assumption – Staffing	Value Assumed	Rationale
1.00	Salary Inflation Factor	3.0%	• Based on prevailing interest rates. This was not applied in 2024 as the current collective bargaining agreement expires at end of fiscal 2024.
1.01	Number of working days - 2024	262	

#	Assumption – Salaries & Benefits	Value Assumed	Rationale
2.00	Board Remuneration	\$180,000 / year	
	<b>Salaries</b>		• The SPS collective agreement expires at year-end fiscal 2024 and has no impact on 2024 budgeted figures.
	<b>Sworn Officers</b>		
2.01	Chief Constable	\$336,162 / year	• Based on average salary by grade per 2024 salary schedule provided by SPS.
2.02	Deputy Chief Constable	\$246,269 / year	• Based on average salary by grade per 2024 salary schedule provided by SPS.
2.03	Superintendent	\$224,155 / year	• Based on average salary by grade per 2024 salary schedule provided by SPS.
2.04	Inspector	\$195,182 / year	• Based on average salary by grade per 2024 salary schedule provided by SPS.
2.05	Staff Sergeant	\$167,735 / year	• Based on average salary by grade per 2024 salary schedule provided by SPS.
2.06	Sergeant	\$150,961 / year	• Based on average salary by grade per 2024 salary schedule provided by SPS.
2.07	Constable	\$131,138 / year	• Based on average salary of Steps 5 to 8 per 2024 salary schedule provided by SPS.
2.08	Constable (Recruit)	\$85,392 / year	• Based on Step 1 salary per 2024 salary schedule provided by SPS.
	<b>Civilians Officers</b>		
2.09	Exempt Civilians - Managers	\$174,077 / year	• Based on average salary across all manager Grades (M1 to M6) using the maximum salary for each grade per 2024 salary schedule.
2.10	Exempt Civilians - Non-Managers	\$122,898 / year	• Based on average salary across all non-manager Grades (i.e. all except M1 to M6) using the maximum salary for each grade per 2024 salary schedule.
2.11	Union Civilians	\$78,816 / year	• Based on average wage across all non-manager Grades (i.e. all except M1 to M6) using the maximum wage for each grade per 2024 wage schedule. Assumes 52 weeks and 70 hours worked per week.
2.12	Auxiliary	\$60,714 / year	• Based on average of Union Civilians Step 012 and 015.

## SPS Assumptions (2/11)

Assumptions were derived from documents provided by SPS and discussions.

#	Assumption – Salaries & Benefits	Value Assumed	Rationale
	<b>Training Days</b>		
2.13	ETEAM	0.00% of base salary	• Not applicable.
2.14	ESUP	0.00% of base salary	• Not applicable.
2.15	EINSP	0.00% of base salary	• Not applicable.
2.16	SWORN	1.91% of base salary	• 40 hr. per year (52 weeks x 40 hr. / week).
2.17	RECRUIT	1.91% of base salary	• 40 hr. per year (52 weeks x 40 hr. / week).
	<b>Overtime %</b>		
2.18	ETEAM	0.00% of base salary	• Not applicable.
2.19	ESUP	4.00% of base salary	• Based on historicals per SPS analysis.
2.20	EINSP	4.00% of base salary	• Based on historicals per SPS analysis.
2.21	SWORN	8.50% of base salary	• Based on historicals per SPS analysis.
2.22	RECRUIT	0.00% of base salary	• Based on historicals per SPS analysis.
2.23	EC	4.00% of base salary	• Based on historicals per SPS analysis.
2.24	UC	6.50% of base salary	• Based on historicals per SPS analysis.
2.25	AUX	0.00% of base salary	• Not applicable.

## SPS Assumptions (3/11)

Assumptions were derived from documents provided by SPS and discussions.

#	Assumption – Salaries & Benefits	Value Assumed	Rationale
	<b>Performance Pay</b>		
2.26	EC	5.00% of base salary	<ul style="list-style-type: none"> <li>Based on historicals per SPS analysis.</li> </ul>
2.27	UC	0.50% of base salary	<ul style="list-style-type: none"> <li>Based on historicals per SPS analysis.</li> </ul>
2.28	AUX	0.00% of base salary	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>
	<b>Wellness / Gratuity Days</b>		
2.28	ETEAM	0.00% of base salary	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>
2.29	ESUP	0.00% of base salary	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>
2.30	EINSP	1.92% of base salary	<ul style="list-style-type: none"> <li>5 days per year (52 weeks x 40 hr. / week).</li> </ul>
2.31	SWORN	1.92% of base salary	<ul style="list-style-type: none"> <li>5 days per year (52 weeks x 40 hr. / week).</li> </ul>
2.32	RECRUIT	1.92% of base salary	<ul style="list-style-type: none"> <li>5 days per year (52 weeks x 40 hr. / week).</li> </ul>
2.33	EC	1.92% of base salary	<ul style="list-style-type: none"> <li>5 days per year (52 weeks x 40 hr. / week).</li> </ul>
2.34	UC	1.15% of base salary	<ul style="list-style-type: none"> <li>3 days per year (52 weeks x 40 hr. / week).</li> </ul>
2.35	AUX	0.00% of base salary	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>

## SPS Assumptions (4/11)

Assumptions were derived from documents provided by SPS and discussions.

#	Assumption – Salaries & Benefits	Value Assumed	Rationale
2.36	STAT Differential	\$1,467.20 / Sworn Member	<ul style="list-style-type: none"> <li>Per SPS, STAT differential is paid at \$1.40 per hour from 1800 to 0600 for Sworn Officer, except DCC, CC, SI. Staffing levels are assumed to be constant throughout the day.</li> </ul>
2.37	Clothing Allowance per FTE	1,200 / FTE	<ul style="list-style-type: none"> <li>Per SPS, clothing allowance is \$1,200 per Sworn Officer, except DCC, CC, SI, and new recruits; civilian positions are also excluded.</li> </ul>
2.38	Leave Bank (Sworn Officers)	2.9% of base salary	<ul style="list-style-type: none"> <li>60 hr. per year (52 weeks x 40 hr. / week).</li> </ul>
2.39	Benefits	31.7% of total salary	<ul style="list-style-type: none"> <li>Based on average rate for Sworn and Recruit given the highest FTE count. Calculated using average salary as per above. Applies to fully salary including other benefits.</li> </ul>
2.40	Start Date - Experienced Sworn Officers	50.0%	<ul style="list-style-type: none"> <li>Assumes a constant rate of hiring throughout the year given difficulty in forecasting exact start dates.</li> </ul>
2.41	Start Date - Civilians	80.0%	<ul style="list-style-type: none"> <li>Based on typical SPS budgeting practice to account and prorate a portion of annual costs given uncertainty around start dates.</li> </ul>
2.42	Proportion of Exempt Civilians	16.7%	<ul style="list-style-type: none"> <li>Based on SPS projections for 2024 and assumed to be constant for future years.</li> </ul>

# SPS Assumptions (5/11)

Assumptions were derived from documents provided by SPS and discussions.

#	Assumption – Operating Costs	Value Assumed	Rationale
3.00	Inflation	2.5%	
	<b>Training and Recruitment</b>		
3.01	Training - Courses/Material (Sworn Officer)	\$1,000 / Sworn Member	<ul style="list-style-type: none"> <li>Per SPS analysis. Assume annual fixed costs of \$1,000 per Sworn Member.</li> </ul>
3.02	Training - Courses/Material (Civilian)	\$500 / Civilian	<ul style="list-style-type: none"> <li>Per SPS analysis. Assume annual fixed costs of \$500 per Civilian.</li> </ul>
3.03	Recruitment - JIBC Fees and Recruiting Expenses	\$25,595 / Recruit	<ul style="list-style-type: none"> <li>Based on JIBC PA F25 Tuition Letter provided by SPS. For recruits training.</li> </ul>
3.04	Recruitment - Relocation Cost	\$5,000 / FTE	<ul style="list-style-type: none"> <li>Per SPS analysis.</li> </ul>
3.05	Recruitment - Relocation Cost (# Sworn Officers in 2024)	10	<ul style="list-style-type: none"> <li>Per SPS assumptions, SPS will incur relocation expense for 10 new recruits in 2024.</li> </ul>
	<b>Communication</b>		
3.06	Communication – Telephone	\$0 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
3.07	Communication - Phones	\$960 / FTE	<ul style="list-style-type: none"> <li>Per SPS analysis, all inclusive cost is \$80 per month per FTE (or \$960 per year per FTE)</li> </ul>
3.08	Communication - Internet/Website	\$256 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>

## SPS Assumptions (6/11)

Assumptions were derived from documents provided by SPS and discussions.

#	Assumption – Operating Costs	Value Assumed	Rationale
	<b>Administration</b>		
3.09	Printing	\$38 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
3.10	Delivery and Postage	\$5 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
3.11	Dry cleaning	\$200 / FTE	<ul style="list-style-type: none"> <li>Per SPS, monthly allowance is \$200 maximum per Sworn Officer.</li> </ul>
3.12	Travel - Flights/Lodge/Parking/Other	\$519 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
3.13	Car Allowance	\$36 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
3.14	Travel - Mileage	\$19 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
3.15	Meetings and Events - Food/Beverage	\$67 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
3.16	Professional Dues and Officerships Fees	\$110 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
3.17	Leases & Rentals	\$247 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
3.18	Supplies & Material	\$1,937 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>

# SPS Assumptions (7/11)

Assumptions were derived from documents provided by SPS and discussions.

#	Assumption – Capital / Equipment	Value Assumed	Rationale
	<b>Capital/Equipment Fund - Asset Management Use</b>		
	<b>Equipment - Use of Force Equipment</b>		
4.00	SP Use of Force Equipment - Firearms - Duty Pistol (Red Dot System)	\$588 / unit	<ul style="list-style-type: none"> <li>Based on historical unit cost. This is for red dot system, not pistols.</li> </ul>
4.00	SP Use of Force Equipment - Firearms - Duty Pistol (Red Dot System, # Units in 2024)	45	<ul style="list-style-type: none"> <li>Per SPS analysis. Purchases are for converting over to the red dot system, with 45 units planned for 2024.</li> </ul>
4.01	SP Use of Force Equipment - Firearms - Duty Carbine	\$3,800 / unit	<ul style="list-style-type: none"> <li>Based on historical unit cost.</li> </ul>
4.02	SP Use of Force Equipment - Firearms - Duty Carbine (# units)	35	<ul style="list-style-type: none"> <li>Per SPS analysis. Used by certain Sworn Officers, not for all on patrol.</li> </ul>
4.03	SP Use of Force Equipment - Firearms - Duty Carbine (T2 sights)	\$80,000 / unit	<ul style="list-style-type: none"> <li>Per SPS analysis. This is for T2 sights.</li> </ul>
4.04	SP Use of Force Equipment - Less Lethal - CEW	\$2,029 / unit	<ul style="list-style-type: none"> <li>Based on historical unit cost.</li> </ul>
4.05	SP Use of Force Equipment - Less Lethal – CEW (# units)	35	<ul style="list-style-type: none"> <li>Per SPS purchasing plan. Purchases are for piloting new models, since new models have not been approved by the province yet.</li> </ul>
4.06	SP Use of Force Equipment - Less Lethal - OC Spray	\$60 / unit	<ul style="list-style-type: none"> <li>Based on historical unit cost.</li> </ul>
4.07	SP Use of Force Equipment - Less Lethal - Batons	\$35 / unit	<ul style="list-style-type: none"> <li>Based on historical unit cost.</li> </ul>

# SPS Assumptions (7/11)

Assumptions were derived from documents provided by SPS and discussions.

#	Assumption – Capital / Equipment	Value Assumed	Rationale
<b>Personal Issue Equipment</b>			
4.08	SP Personal Issue Equipment – Contingency	10%	<ul style="list-style-type: none"> <li>Per SPS assumptions for inventory contingency to account for any additional wear-and-tear, loss, damage, etc., as well as budget uncertainties. Applies to undergarments, but not to dress uniforms as these are rarely altered.</li> </ul>
4.09	SP Personal Issue Equipment - Uniforms - Undergarments	\$154 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
4.10	SP Personal Issue Equipment - Uniforms - Duty Uniforms	\$1,605 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
4.10	SP Personal Issue Equipment - Uniforms - Dress Uniforms	\$1,161 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
4.11	SP Personal Issue Equipment - Uniforms - Dress Uniforms (Additional units required in 2024)	45	<ul style="list-style-type: none"> <li>45 officers have yet to be fitted from previous year</li> </ul>
4.12	SP Personal Issue Equipment - Uniforms – Outerwear	\$723 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
4.13	SP Personal Issue Equipment - Uniforms - Outerwear (Contingency)	20%	<ul style="list-style-type: none"> <li>Per SPS assumptions for inventory contingency to account for any additional wear-and-tear, loss, damage, etc., as well as budget uncertainties.</li> </ul>
4.14	SP Personal Issue Equipment - Uniforms - Headwear	\$52 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
4.15	SP Personal Issue Equipment - Uniforms - Footwear	\$323 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
4.16	SP Personal Issue Equipment - Equipment - Body Armour/External Carriers	\$1,616 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
4.17	SP Personal Issue Equipment - Equipment - Duty Equipment	\$1,535 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
4.18	SP Personal Issue Equipment - Equipment - Duty Equipment (Contingency)	5%	<ul style="list-style-type: none"> <li>Per SPS assumptions for inventory contingency to account for any additional wear-and-tear, loss, damage, etc., as well as budget uncertainties.</li> </ul>
4.19	SP Personal Issue Equipment - Equipment - Respirators	\$502 / FTE	<ul style="list-style-type: none"> <li>Based on historical per FTE cost.</li> </ul>
<b>Police Fleet</b>			
4.20	SP Fleet - SUV - Individual WOs for each vehicle	\$90,000 / unit	<ul style="list-style-type: none"> <li>Based on historical per unit cost.</li> </ul>

## SPS Assumptions (8/11)

Assumptions were derived from documents provided by SPS and discussions.

#	Assumption – One-Time Transition Fund	Value Assumed	Rationale
5.00	Recruitment, Assessment, and Training Costs - Vendors	\$1,770 / FTE	<ul style="list-style-type: none"><li>Based on historical per FTE cost.</li></ul>
5.01	Recruitment, Assessment, and Training Costs – Failure Rates	25%	<ul style="list-style-type: none"><li>Per SPS analysis. This is related to polygraph testing, pre-employment psychological assessment, Police Officer Physical Ability Test (“POPAT”), and pre-employment medical screening.</li></ul>
5.02	Recruitment, Assessment, and Training Costs - Contingency	10%	<ul style="list-style-type: none"><li>Per SPS assumptions.</li></ul>
5.03	Human Resources - Secondment	\$334,556	<ul style="list-style-type: none"><li>Based on historical cost per SPS analysis.</li></ul>

# SPS Assumptions (9/11)

Assumptions were derived from documents provided by SPS and discussions.

**Table 1. SPS Year-End Headcount**

Ranks	2023 (FTE)	2024 (FTE)
Sworn Officers	346	526
Chief Constable	1	1
Deputy Chief Constable	3	3
Superintendent	8	8
Inspector	18	25
Staff Sergeant	16	29
Sergeant	77	135
Constable	223	280
Recruits	-	45
Civilians - Operating Budget	58	81
Exempt Civilian	20	26
Managers	12	15
Non-Managers	8	11
Union Civilian	38	55
Civilians - Transition Budget		
Civilians - Auxiliary	11	20
<b>Total Headcount (Year-end)</b>	<b>415</b>	<b>627</b>

# SPS Assumptions (10/11)

Assumptions were derived from documents provided by SPS and discussions.

**Table 2. SPS Annual Average Headcount**

<b>Ranks</b>	<b>2024 (FTE)</b>
Sworn Officers	432
Chief Constable	1
Deputy Chief Constable	3
Superintendent	8
Inspector	22
Staff Sergeant	23
Sergeant	106
Constable	252
Recruits	19
Civilians - Operating Budget	76
Exempt Civilian	25
Managers	14
Non-Managers	10
Union Civilian	52
Civilians - Transition Budget	
Civilians - Auxiliary	18
<b>Total Headcount (Year-end)</b>	<b>527</b>

# SPS Assumptions (11/11)

Assumptions were derived from documents provided by SPS and discussions.

**Table 3. SPS Annual Average Salary**

Ranks	Units	Value	Rationale
<b>Sworn Officers Salary 2024</b>			
Chief Constable	Cost per Sworn Officer	\$336,162	• Based on average salary by grade per 2024 salary schedule.
Deputy Chief Constable	Cost per Sworn Officer	\$246,269	• Based on average salary by grade per 2024 salary schedule.
Superintendent	Cost per Sworn Officer	\$224,155	• Based on average salary by grade per 2024 salary schedule.
Inspector	Cost per Sworn Officer	\$195,182	• Based on average salary by grade per 2024 salary schedule.
Staff Sergeant	Cost per Sworn Officer	\$167,735	• Based on average salary by grade per 2024 salary schedule.
Sergeant	Cost per Sworn Officer	\$150,961	• Based on average salary by grade per 2024 salary schedule.
Constable	Cost per Sworn Officer	\$131,138	• Based on average salary of Steps 5 to 8 per 2024 salary schedule.
Constable (Recruit)	Cost per Sworn Officer	\$85,392	• Based on Step 1 salary per 2024 salary schedule.
<b>Civilians Officers Salary 2024</b>			
Exempt Civilians - Managers	Cost per FTE	\$174,077	• Based on average salary across all manager Grades (M1 to M6) using the maximum salary for each grade per 2024 salary schedule.
Exempt Civilians - Non-Managers	Cost per FTE	\$122,898	• Based on average salary across all non-manager Grades (i.e., all except M1 to M6) using the maximum salary for each grade per 2024 salary schedule.
Union Civilians	Cost per FTE	\$78,816	• Based on average wage across all non-manager Grades (i.e. all except M1 to M6) using the maximum wage for each grade per 2024 wage schedule. Assumes 52 weeks and 70 hours worked per week.
Auxiliary	Cost per FTE	\$125,264	• Based on average of Exempt Civilians - Managers, Exempt Civilians - Non-Managers, and Union Civilians.



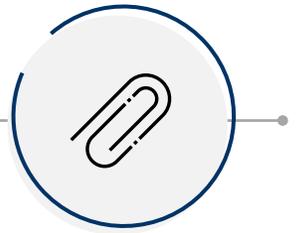
## KEY ASSUMPTIONS

Based on average salary by grade per 2024 salary schedule

The SPS collective agreement expires at year-end fiscal 2024 and has no impact on 2024 budgeted figures. Current salary amounts for 2024 were provided by SPS and already account for yearly salary escalation per current SPS CBA.

# Appendix C: RCMP Assumptions

---



# RCMP Assumptions (1/5)

Various documents were reviewed to derive assumptions, which were then validated with the SIA.

#	Assumption – General	Value Assumed	Rationale
1.00	Inflation for operating costs excl. salaries	2.5%	• Applied to operating costs for year-over-year increase.
1.01	Inflation for base salary	3.1%	• Applied to salaries for year-over-year increase.
1.02	FTE	308 officers	• Considered constant 308 officers throughout 2024.

#	Assumption – Staffing	Value Assumed	Rationale
2.00	Current staffing (2023)	488 RCMP officers	• RCMP Sworn Officers at the end of the year 2023.
2.01	2024 staffing	308 RCMP officers	• RCMP Sworn Officers at the end of the year 2024, post FTE reduction of 180 Sworn RCMP Officers.

**Table 1. RCMP Demobilization Plan**

Ranks	2023 (FTE)	2024 (FTE)
Constable	317	200
Corporal	87	55
Sergeant	51	32
Staff Sergeant	20	12
Inspector	8	5
Superintendent	3	2
Chief Superintendent	2	1
Assistant Commissioner	1	1
<b>Total</b>	<b>488</b>	<b>308</b>

\*Note: RCMP Officers are currently negotiating a new collective agreement that will be retroactively applied to April 1, 2023.

## RCMP Assumptions (2/5)

Historical cost data from RCMP Surrey Multi-Year Financial Plan was utilized to estimate the relevant costs by using either base salary or headcount information.

#	Assumption – Staffing	Value Assumed	Rationale
2.02	Base salary	See slide 56	<ul style="list-style-type: none"> <li>Publicly published 2023 RCMP rates.</li> <li>The highest rates within the same rank applied for RCMP Officers.</li> </ul>
2.03	Overtime	12.1% of base salary	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) applied for non-commissioned Officers only.</li> </ul>
2.04	Member pension	19.1% of base salary	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22).</li> </ul>
2.05	Member CPP	\$3,400 per FTE	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) plus YoY salary inflation.</li> </ul>
2.06	Employer contribution	\$1,128 per FTE	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) plus YoY salary inflation.</li> </ul>
2.07	Service pay	2.34% of base salary	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) applied for non-commissioned Officers only.</li> </ul>
2.08	Shift differential pay	1.76% of base salary	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) applied for non-commissioned Officers only.</li> </ul>
2.9	Leave including excess leave, maternity leave, and paternity leave	Nil applied	<ul style="list-style-type: none"> <li>The target headcount of 308 does not assume soft or hard vacancies.</li> </ul>
2.10	Transfer cost	Nil applied	<ul style="list-style-type: none"> <li>100% credit from the Federal government assumed and therefore not included in this costing analysis as per the MPSA and MYFP.</li> </ul>
2.11	Training cost	\$6,649 per FTE	<ul style="list-style-type: none"> <li>The estimated cadets training/recruiting plus YoY inflation. However, cost not included.</li> </ul>

## RCMP Assumptions (3/5)

Historical cost data from RCMP Surrey Multi-Year Financial Plan was utilized to estimate the relevant costs by using either base salary or headcount information.

#	Assumption – Operations and maintenance	Value Assumed	Rationale
3.00	Travel	0.63% of base salary	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22).</li> </ul>
3.01	Freight, postage etc..	\$72 per FTE	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) plus YoY inflation.</li> </ul>
3.02	Telecommunication	\$26 per FTE	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) plus YoY inflation.</li> </ul>
3.03	Information	\$2 per FTE	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) plus YoY inflation.</li> </ul>
3.04	Professional & specialized services	\$7,093 per FTE	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) plus YoY inflation.</li> </ul>
3.05	Rental – Land, building and works	0.05% of base salary	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22).</li> </ul>
3.06	Rental – Computer	\$177 per FTE	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) plus YoY inflation.</li> </ul>
3.07	Rental - Other	\$170 per FTE	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) plus YoY inflation.</li> </ul>
3.08	Vehicle repair	\$1,590 per FTE	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) plus YoY inflation.</li> </ul>
3.09	Other repair	0.08% of base salary	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22).</li> </ul>
3.10	Utilities, materials and supplies incl. fuel, stationary	\$4,317 per FTE	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) plus YoY inflation.</li> </ul>

## RCMP Assumptions (4/5)

Historical cost data from RCMP Surrey Multi-Year Financial Plan was utilized to estimate the relevant costs by using either base salary or headcount information.

#	Assumption – Equipment and assets	Value Assumed	Rationale
4.00	Machinery and equipment	\$5,105 per FTE	<ul style="list-style-type: none"> <li>The average of the past two years (20/21 and 21/22) plus YoY inflation.</li> </ul>

#	Assumption – Administration cost	Value Assumed	Rationale
5.00	Division Administration	\$37,109 per FTE	<ul style="list-style-type: none"> <li>Per FTE applied for all officers plus YoY inflation.</li> </ul>

### Excluded RCMP Costs

#	Assumption – Subsidies and payment	Value Assumed	Rationale
6.00	Federal Cost Share Amount	(\$6,826,195)	<ul style="list-style-type: none"> <li>10% of the total cost as subsidies from the Federal Government per the MPSA.</li> </ul>
6.01	Green timbers	\$1,063,179	<ul style="list-style-type: none"> <li>Fixed Cost.</li> </ul>
6.02	Integrated Teams	\$11,326,654	<ul style="list-style-type: none"> <li>Fixed Cost.</li> </ul>

# RCMP Assumptions (5/5)

RCMP salary data is based on publicly available salary schedule.

Ranks	Units	Value	Rationale
CST	per FTE	\$113,286	• 2023 base salary is publicly available; Used highest rate within each pay grade plus YoY salary inflation.
CPL	per FTE	\$124,051	• 2023 base salary is publicly available; Used highest rate within each pay grade plus YoY salary inflation.
SGT	per FTE	\$135,213	• 2023 base salary is publicly available; Used highest rate within each pay grade plus YoY salary inflation.
SGT MAJ	per FTE	\$147,831	• 2023 base salary is publicly available; Used highest rate within each pay grade plus YoY salary inflation.
S/SGT	per FTE	\$147,387	• 2023 base salary is publicly available; Used highest rate within each pay grade plus YoY salary inflation.
S/SGT MAJ	per FTE	\$147,831	• 2023 base salary is publicly available; Used highest rate within each pay grade plus YoY salary inflation.
INSP	per FTE	\$135,599	• 2023 base salary is publicly available; Used highest rate within each pay grade plus YoY salary inflation.
SUPT	per FTE	\$155,974	• 2023 base salary is publicly available; Used highest rate within each pay grade plus YoY salary inflation.
C/SUPT	per FTE	\$199,460	• 2023 base salary is publicly available; Used highest rate within each pay grade plus YoY salary inflation.
A/COMM	per FTE	\$230,471	• 2023 base salary is publicly available; Used highest rate within each pay grade plus YoY salary inflation.



## KEY ASSUMPTIONS

Salaries and benefits for 2023 and 2024 are based on constant headcount of 308 RCMP Sworn Officers

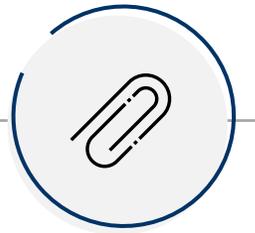
Staffing distribution is based on 2022/2023 RCMP Surrey Multi-Year Financial Plan

Used highest rate within each pay grade

\*Note: RCMP Officers are currently negotiating a new collective agreement that will be retroactively applied to April 1, 2023.

# Appendix D: RCMP vs SPS Rank Comparison

---



# RCMP vs SPS Rank Comparison

SPS base salary for Sworn Officers is 2%-46% higher for comparable ranks, except new recruits which are 25% lower than RCMP Constables.

RCMP Ranks	Annual Base Salary (2024)	SPS Ranks	Annual Base Salary (2024)	Variance (\$)	Variance (%)
Constable (Step 1)	\$69,917	Constable (Recruit)	\$85,392	\$15,475	22%
Constable	\$113,286	Constable	\$131,138	\$17,852	16%
Corporal	\$124,051	Sergeant	\$150,961	\$26,910	22%
Sergeant	\$135,213	Sergeant	\$150,961	\$15,748	12%
Staff Sergeant	\$147,387	Staff Sergeant	\$167,735	\$20,348	14%
Staff Sergeant Major	\$147,831	N/A	N/A	N/A	N/A
Sergeant Major	\$147,831	N/A	N/A	N/A	N/A
Inspector	\$135,599	Inspector	\$195,182	\$59,583	44%
Superintendent	\$155,974	Superintendent	\$224,155	\$68,181	44%
Chief Superintendent	\$199,460	Deputy Chief Constable	\$246,269	\$46,809	23%
Assistant Commissioner	\$230,471	Chief Constable	\$336,162	\$105,691	46%

## Key Observations



The variance between SPS and RCMP equivalent ranks are 22% for recruits, 16% for Constables, 22% for Sergeant (SPS) vs Corporal (RCMP), and 12% for Sergeants (both SPS and RCMP).



**SPS' salaries are higher** since RCMP salaries are negotiated nationally, and SPS reflects the **relatively higher cost of living in Surrey**. SPS salaries should be **competitive, and are in-line, with nearby jurisdictions** (such as Vancouver Police Department) to attract talent. Difficulties in hiring the right talent and at the intended schedule would also lead to higher salaries.



The variance for higher ranks (e.g., Inspector, Superintendent, DCC, CC) range from 23-46%.

## KEY ASSUMPTIONS

### RCMP:

- 2023 base salary is publicly available per RCMP
- Used highest rate within each pay grade; inflation at 3.1%
- RCMP Officers are currently negotiating a new collective agreement that will be retroactively applied to April 1, 2023.

### SPS:

- 2024 base salary provided by SPS, average across all Steps for each grade (except Constable, which is average of Step 5-8, and Constable Recruits at Step 1)
- The SPS collective agreement expires at year-end fiscal 2024 and has no impact on 2024 budgeted figures. No additional inflationary adjustment were made other than what's provided.