

PUBLIC

To: South Coast British Columbia Transportation Authority Police Board (Police Board)

**From: Chief Officer Doug LePard
South Coast British Columbia Transportation Authority Police Service (Transit Police)**

Date: April 11, 2017

**Subject: Transit Police 2017 Q1 Financial Operating Status Report
[Police Board Report No. 2017-10] – Public Agenda**

INFORMATION REPORT

PURPOSE

The Police Board is responsible for the governance of the Transit Police. Regular reporting to the Police Board and their review of financial operations is a key element in the exercise of this responsibility and for public accountability.

The purpose of this report is to present the Transit Police operating budget variance for the period ending March 31, 2017, for the Police Board's review and consideration.

BACKGROUND

In 2016, the Transit Police continued the implementation of the new Community-Based Service Delivery Model (SDM), designed to improve the effectiveness and efficiency of policing on the transit system and to address the unique challenges faced by the Transit Police. The SDM accommodates the unique features of each Community Service Area (CSA) while at the same time helping to ensure that the organizational strategic directions and goals are achieved. In 2016, the Transit Police implemented the deployment of six Neighbourhood Police Officers (NPOs), one for each CSA.

The Evergreen Extension, comprising six new SkyTrain Stations and 11 kilometres of guideway on the Millennium Line, with expected corresponding increases in

ridership, will place significant new demands on Transit Police resources. An initial increase in police officers from 167 to 175 was supported in consideration of the transit expansion and increased ridership. Further analysis and planning on Evergreen Extension impact to operational and support resourcing continues into 2017.

In 2016, the Transit Police launched its 2016-2020 Strategic Plan. This plan covers a period that will see considerable changes to the regional transit system and levels of ridership. The anticipated growth in population for the region and fiscal realities will require flexibility and a continuing effort to look for opportunities for efficiencies. In 2017, the Transit Police will focus on implementation of the Strategic Plan's three strategic goals:

- A safe and secure transit system;
- Confidence in the use of public transit; and
- Regional services that enhance local policing and community safety.

The Transit Police's budget for 2017 is \$32,674,482. The budget does not include TransLink allocated costs for centralized services, such as Sapperton premises rent and Information Technology.

DISCUSSION

Q1 Results (Appendix A)

As of March 31, 2017, the Police Service's total expenditures were \$7,680,234 compared with the year to date budget of \$8,097,569 (Appendix A). The positive quarterly variance of \$417,335 (5%) is largely due to: salary savings resulting from vacancies, additional recoveries for officers on secondment, and differences between the budgeted and actual timing of expenditures.

2017 Forecast Based on Q1 Results (Appendix B)

As of March 31, 2017, the Police Service's total expenditures were \$7,680,234, with 76% (or \$24,992,881) of total budgeted expenditures remaining (see Appendix A).

Based on the first quarter results, the Transit Police is presently projecting a small positive variance by year-end (Appendix B).

A summary of forecasted cost savings and over expenditures follows:

Reconciliation of Expenditures:

<u>Savings:</u>	<u>(\$000)</u>
Salaries	75
Outside Services costs	25
Radio Communications costs	<u>10</u>
	110
<u>Over Expenditures:</u>	
Overtime costs	50
Vehicle costs	<u>10</u>
	60
Net Savings	<u><u>\$50</u></u>

Key savings are outlined below:

- “Salaries ” are forecasted to be \$75 Thousand better than budget due to additional secondment recoveries of \$250 Thousand (more police officers being seconded than planned) offset by salary costs of \$175 Thousand for backfilling the extra officers on paid secondments;
- “Outside Services” cost is expected to be \$25 Thousand under budget due to the planned HQ renovation being deferred;
- “Radio Communications“ cost is forecasted to be \$10 Thousand less than budget primarily due the 2 Factor Authentication security initiative being delayed to later in the year (cost will be pro-rated);

Offsetting the above savings is an unfavourable variance expected in the following areas during the balance of the year:

- “Overtime” cost is forecasted to be \$50 Thousand over budget due to providing coverage for the new Evergreen Extension;
- “Vehicle” cost is forecasted to be \$10 Thousand over budget due to the installation costs of prisoner cages in the newer police vehicles.

“TransLink Allocated Costs

Allocated costs from TransLink are not included in the Transit Police budget, which is consistent with the other TransLink subsidiaries. TransLink allocates centralized

costs to the business units which directly benefit from/consume the service or cost. The cost allocated to the Transit Police covers Information Technology, Premises Rental, Payroll and some Human Resources. Total allocated cost budgeted for 2017 is \$4,184,785.

As of March 31, 2017, total TransLink allocated costs were \$999,679, compared with the year to date budget of \$1,025,078 (see Appendix C). The positive quarterly variance of \$25,399 (2%) is largely due to lower depreciation and interest costs.

CONCLUSION

As of March 31, 2017, the Transit Police is forecasting a small positive budget variance for year-end. This year's budget includes an estimate for any wage increases resulting from negotiation/arbitration of a new Collective Agreement; however, the actual budget impact remains unknown until negotiation/arbitration is completed.

Chief Officer Doug LePard

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Transit Police 2017 Actual

Board Report No. 2017-10/Appendix A

Period ending March 31, 2017

	Actual YTD	Budget YTD	Variance	%	2017 Budget	Remaining Budget	%	
Labour								
Salaries	5,560,153	5,776,602	216,449	4%	23,771,569	18,211,416	77%	savings due to vacancies
Overtime	178,670	152,090	(26,580)	-17%	762,710	584,040	77%	extra OT to provide coverage for Evergreen
Benefits	1,419,733	1,496,713	76,980	5%	5,167,900	3,748,167	73%	savings due to vacancies
	<u>7,158,556</u>	<u>7,425,405</u>	<u>266,849</u>	<u>4%</u>	<u>29,702,179</u>	<u>22,543,623</u>	<u>76%</u>	
Recoveries - Secondments	(226,862)	(112,000)	114,862	-103%	(448,001)	(221,139)	49%	more officers seconded than planned
Labour net of Recoveries	<u>6,931,694</u>	<u>7,313,405</u>	<u>381,711</u>	<u>5%</u>	<u>29,254,178</u>	<u>22,322,484</u>	<u>76%</u>	
Vehicles								
Fuel	41,144	47,499	6,355	13%	190,000	148,856	78%	fuel consumption lower
Vehicle Maintenance	23,663	30,179	6,516	22%	127,402	103,739	81%	timing
Vehicle Outfitting	9,459	1,500	(7,959)	-531%	15,000	5,541	37%	retrofit of siren controllers, additional vehicle wrap
Vehicle Leases	6,573	7,500	927		30,000	23,427	78%	
Insurance	11,250	11,250	-	0%	44,999	33,749	75%	
	<u>92,089</u>	<u>97,928</u>	<u>5,839</u>	<u>6%</u>	<u>407,401</u>	<u>315,312</u>	<u>77%</u>	
Materials								
Materials - Uniforms	17,521	25,606	8,085	32%	125,001	107,480	86%	timing
Materials - Other	28,621	23,562	(5,059)	-21%	78,138	49,517	63%	timing
Materials - Firearms/Ammunition	24,678	27,200	2,522		76,001	51,323	68%	timing
Materials - Outerwear	36,796	37,625	829	2%	122,761	85,965	70%	
	<u>107,616</u>	<u>113,993</u>	<u>6,377</u>	<u>6%</u>	<u>401,901</u>	<u>294,285</u>	<u>73%</u>	
Outside Services								
Maintenance and Repairs	7,195	4,490	(2,705)	-60%	33,505	26,310	79%	
Uniform Cleaning	9,941	15,438	5,497	36%	70,528	60,587	86%	timing
Other Services	89,812	71,916	(17,896)	-25%	375,509	285,697	76%	timing of Surrey Crime Prevention contribution
Minor Renovations	6,902	15,400	8,498	55%	49,000	42,098	86%	timing
	<u>113,850</u>	<u>107,244</u>	<u>(6,606)</u>	<u>-6%</u>	<u>528,542</u>	<u>414,692</u>	<u>78%</u>	
Administration								
Office Equipment	134	4,020	3,886	97%	16,500	16,366	99%	
Stationery and Supplies	15,782	17,220	1,438	8%	69,104	53,322	77%	
Memberships/Subscriptions	9,812	6,076	(3,736)	-61%	61,011	51,199	84%	timing
Board Remuneration	9,048	4,537	(4,511)	-99%	40,000	30,952	77%	timing
Other Administration	2,110	4,270	2,160	51%	21,462	19,352	90%	
	<u>36,886</u>	<u>36,123</u>	<u>(763)</u>	<u>-2%</u>	<u>208,077</u>	<u>171,191</u>	<u>82%</u>	
Telecommunications								
Telecommunications	-	-	-		-	-		
Radio Communication Equipment	211,290	219,341	8,051	4%	888,348	677,058	76%	timing
	<u>211,290</u>	<u>219,341</u>	<u>8,051</u>	<u>4%</u>	<u>888,348</u>	<u>677,058</u>	<u>76%</u>	
Professional and Legal								
Professional fees	44,393	45,387	994		232,999	188,606	81%	timing
Legal Fees	23,804	61,500	37,696	61%	220,400	196,596	89%	lower indemnification costs
	<u>68,197</u>	<u>106,887</u>	<u>38,690</u>	<u>36%</u>	<u>453,399</u>	<u>385,202</u>	<u>85%</u>	
Training								
Recruit Training	54,541	-	(54,541)	N/A	138,000	83,459	60%	timing of Recruit training at JI
Training - Mandatory	47,627	80,310	32,683	41%	280,269	232,642	83%	timing
	<u>102,168</u>	<u>80,310</u>	<u>(21,858)</u>	<u>-27%</u>	<u>418,269</u>	<u>316,101</u>	<u>76%</u>	
Rentals								
Rentals/Leases - Parking	1,089	-	(1,089)		-	(1,089)		
Rentals/Leases - Range	5,387	1,088	(4,299)	-395%	18,000	12,613	70%	timing
Rentals/Leases - Office Equipment	-	-	-		-	-		
	<u>6,476</u>	<u>1,088</u>	<u>(5,388)</u>	<u>-495%</u>	<u>18,000</u>	<u>11,524</u>	<u>64%</u>	
Marketing & Promotions								
	9,968	21,250	11,282	53%	95,000	85,032	90%	timing
Total Before Allocated Costs	<u>7,680,234</u>	<u>8,097,569</u>	<u>417,335</u>	<u>5%</u>	<u>32,673,115</u>	<u>24,992,881</u>	<u>76%</u>	

Transit Police 2017 Forecast

Board Report No. 2017-10/Appendix B

Period ending March 31, 2017

	2017 Budget	2017 Forecast	Variance	%	
Labour					
Salaries	23,771,569	23,911,569	(140,000)	-1%	Backfill of additional officers seconded
Overtime	762,710	812,710	(50,000)	-7%	OT for Evergreen Extension coverage
Benefits	5,167,900	5,202,900	(35,000)	-1%	Backfill of additional officers seconded
	29,702,179	29,927,179	(225,000)	-1%	
Recoveries - Secondments	(448,001)	(698,001)	250,000	56%	Additional officers seconded
Labour net of Recoveries	29,254,178	29,229,178	25,000	0%	
Vehicles					
Fuel	190,000	190,000	-	0%	
Vehicle Maintenance	127,402	127,402	-	0%	
Vehicle Outfitting	15,000	25,000	(10,000)	-67%	Installation of prisoner cages in police vehicles
Vehicle Leases	30,000	30,000	-	0%	
Insurance	44,999	44,999	-	0%	
	407,401	417,401	(10,000)	-2%	
Materials					
Materials - Operators' Uniforms	125,001	125,001	-	0%	
Materials - Misc	78,138	78,138	-	0%	
Materials - Firearms/Ammunition	76,001	76,001	-	0%	
Materials - Outerwear	122,761	122,761	-	0%	
	401,901	401,901	-	0%	
Outside Services					
Maintenance and Repairs	33,505	33,505	-	0%	
Uniform Cleaning	70,528	70,528	-	0%	
Other Services	375,509	375,509	-	0%	
Minor Renovations	49,000	24,000	25,000	51%	HQ renovation deferred
	528,542	503,542	25,000	5%	
Administration					
Office Equipment	16,500	16,500	-	0%	
Stationery and Supplies	69,104	69,104	-	0%	
Memberships/Subscriptions	61,011	61,011	-	0%	
Police Board Expenses	40,000	40,000	-	0%	
Other Administration	21,462	21,462	-	0%	
	208,077	208,077	-	0%	
Telecommunications					
Telecommunications	-	-	-	-	
Radio Communication Equipment	888,348	878,348	10,000	1%	Delay in 2 Factor Authentication
	888,348	878,348	10,000	1%	
Professional and Legal					
Professional fees	232,999	232,999	-	0%	
Legal Fees	220,400	220,400	-	0%	
	453,399	453,399	-	0%	
Training					
Training & Education	138,000	138,000	-	0%	
Training - Mandatory	280,269	280,269	-	0%	
	418,269	418,269	-	0%	
Rentals					
Rentals/Leases - Parking	-	-	-	-	
Rentals/Leases - Range	18,000	18,000	-	0%	
Rentals/Leases - Office Equipment	-	-	-	-	
	18,000	18,000	-	0%	
Marketing & Promotions	95,000	95,000	-	0%	
Property Taxes	-	-	-	-	
Total	32,673,115	32,623,115	50,000	0%	

TransLink Allocated Costs - 2017 Actual

Board Report No. 2017-10/Appendix C

Period ending	March 31, 2017				2017	Remaining		
	Actual YTD	Budget YTD	Variance	%	Budget	Budget	%	
Salaries	175,298	181,181	5,883	3%	714,533	529,604	74%	
Administration	65,115	60,846	(4,269)	-7%	321,252	136,415	42%	
Computers & Systems	213,180	182,807	(30,373)	-17%	753,549	535,766	71%	
Rentals	470,805	502,695	31,890	6%	2,010,780	1,649,138	82%	
Depreciation and Interest	75,281	97,549	22,268	23%	384,671	18,908	5%	
	<u>999,679</u>	<u>1,025,078</u>	<u>25,399</u>	<u>2%</u>	<u>4,184,785</u>	<u>3,185,106</u>	<u>76%</u>	