

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: January 25, 2017

Subject: Transit Police 2016 Year-End Financial Result [Police Board Report No. 2017-05] - 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 year-end financial results (ending December 31, 2016) for the Police Board's review and consideration.

BACKGROUND

In 2016, the Transit Police launched its new 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 while facing funding pressures to meet its mandate, will require flexibility and even more attention to efficiencies by the Transit Police.

The Transit Police holds the safety and security of passengers as the highest priority and will ensure that it plays a significant role in meeting that priority. Our activities in combating crime and disorder help provide a safe system, reduce disruption to services, and make the transit system more attractive for passengers

and staff. The Transit Police will continue to advance its commitment to demonstrating excellence in public transit policing.

In 2015, the Transit Police commenced implementation of a 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 features and challenges faced by the Transit Police. These challenges include a vast transit network, finite resources, and the requirement that officers are visible and accountable. The Transit Police employs evidence-based best practices and is intelligence-led. The SDM can accommodate the unique features of each defined Community Service Area while at the same time helping to ensure that the overall organizational goals and operational priorities of the Transit Police are achieved. In 2016, the Transit Police has continued to advance the full implementation of the SDM, which also helps prepare for the increase in service area, ridership and call load arising from the Evergreen Extension when it comes on stream in December 2016.

In 2016, the Transit Police focused on the operational priorities of:

- Sexual Offending;
- Mental Wellness;
- Workplace Violence/Frontline Worker Assaults; and
- System Resiliency.

The Transit Police's restated budget for 2016 is \$30,175,154. An additional \$100 Thousand was reallocated out of TransLink's contingency fund to cover salary accruals not permitted for inclusion in the original budget. The 2016 restated budget does not include any potential wage increases for union staff arising from the pending completion of negotiations for a new Collective Agreement (previous Agreement expired December 31, 2015). The budget also does not include TransLink allocated costs for centralized services, such as Sapperton premises rent and IT.

DISCUSSION

Results for 2016 (Appendix A)

Total expenditures in the year were \$30,172,096, resulting in a positive variance of \$3,058 for the year. Details are provided in Appendix A.

A summary of cost savings and over expenditures follows:

Reconciliation of Expenditures:

<u>Savings:</u>	<u>(\$000)</u>
Recoveries	142
Radio Communication	84
Training	65
Vehicle Costs	37
Professional and Legal	17
Other Costs	14
	<hr/>
	359
<u>Over Expenditures:</u>	
Salary Costs	217
Materials	74
Outside Services	65
	<hr/>
	356
Net Savings	<hr/> <hr/>
	\$3

Key savings are outlined below:

- “Recoveries” were \$142 Thousand better than planned due to four additional police officers being seconded in the last quarter of 2016;
- “Radio Communication” was \$84 Thousand less than budget, primarily due to a credit received from E-Comm for levy overpayment in 2015 and lower than budgeted cost for the 2 Factor Authentication (“2FA”) security initiative;
- “Training ” was \$65 Thousand under budget due to lower recruit fees, as fewer recruits were hired than originally planned;
- “Vehicle” cost savings of \$37 Thousand were realized due to lower fuel prices and lower vehicle maintenance costs;
- “Professional and Legal” was \$17 Thousand less than budget as less legal fees were incurred during the year for the indemnification of police officers; and
- “Other Costs” savings of \$14 Thousand was achieved by a reduction in expenditures on marketing materials.

Offsetting the above savings are unfavourable variances in the following areas:

- “Salary Costs” were higher than budgeted due to higher than expected adjustment for leave accruals at year-end and higher WorkSafeBC premiums.
- “Materials” were \$74 Thousand over budget, largely due to the purchase of replacement jackets for police officers (budgeted in 2015 but purchase was delayed) and additional police equipment; and
- “Outside Services” were \$65 Thousand over budget due to renovation costs for the Broadway Commercial sub-office and cost for an officer secondment from Vancouver Police Department (offset by salary savings for the vacant position);

TransLink Allocated Costs (Appendix B)

Allocated costs from TransLink are not included in the Transit Police budget, which is consistent with the other TransLink’s operating companies. 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 costs for 2016 were \$3,538,594 (\$3,661,838 budgeted for 2016) resulting in a positive variance of \$123,271 for the year. The positive variance was largely due to lower premise rent.

CONCLUSION

Transit Police was slightly under budget in 2016, with total annual expenditures being \$30,172,096. The additional secondment recoveries, along with savings realized for vehicles, training, and radio communication, fully offset higher than budgeted salary costs that resulted from additional year-end salary accruals.

Chief Officer Doug LePard

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Transit Police 2016 Actual

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Period ending	December 31, 2016				
	Actual	Budget	Variance	%	
Labour					
Salaries	21,786,564	21,534,631	(251,933)	-1%	salary accruals higher than budgeted
Overtime	682,304	763,339	81,035	11%	OT savings
Benefits	5,015,906	4,969,631	(46,275)	-1%	higher WCB premiums
	<u>27,484,774</u>	<u>27,267,601</u>	<u>(217,173)</u>	<u>-1%</u>	
Vehicles					
Fuel	152,016	189,004	36,988	20%	lower price for fuel
Vehicle Maintenance	107,660	122,404	14,744	12%	lower maintenance costs
Vehicle Outfitting	34,436	7,500	(26,936)	-359%	retrofit of siren controllers, additional vehicle wrap, cages
Vehicle Leases	33,823	46,804	12,981	28%	decrease in the number of leased vehicles
Insurance	40,328	40,000	(328)	-1%	
	<u>368,263</u>	<u>405,712</u>	<u>37,449</u>	<u>9%</u>	
Materials					
Materials - Uniforms	108,535	89,999	(18,536)	-21%	increase in number of police officers hired during the year
Materials - Other	99,838	79,353	(20,485)	-26%	purchase of police equipment (holsters, flash lights)
Materials - Firearms/Ammunition	48,180	52,500	4,320	8%	less ammunition purchased than budgeted
Materials - Outerwear	140,041	101,008	(39,033)	-39%	purchase of jackets that were budgeted in 2015 but were delayed
	<u>396,594</u>	<u>322,860</u>	<u>(73,734)</u>	<u>-23%</u>	
Outside Services					
Maintenance and Repairs	36,073	31,505	(4,568)	-14%	
Uniform Cleaning	65,318	105,494	40,176	38%	dry cleaning costs lower than budgeted
Other Services	268,447	192,511	(75,936)	-39%	air quality testing, officer vacancy filled by secondment
Minor Renovations	70,045	45,000	(25,045)	-56%	commercial and Broadway sub-office renovation
	<u>439,883</u>	<u>374,510</u>	<u>(65,373)</u>	<u>-17%</u>	
Administration					
Office Equipment	15,807	15,000	(807)	-5%	
Stationery and Supplies	63,351	64,404	1,053	2%	
Memberships/Subscriptions	68,730	60,813	(7,917)	-13%	
Board Remuneration	38,472	40,000	1,528	4%	
Other Administration	17,030	23,005	5,975	26%	
	<u>203,390</u>	<u>203,222</u>	<u>(168)</u>	<u>0%</u>	
Telecommunications					
Telecommunications	-	-	-		
Radio Communication Equipment	843,263	927,500	84,237	9%	delay in 2FA and credit for 2015 Ecomm levy
	<u>843,263</u>	<u>927,500</u>	<u>84,237</u>	<u>9%</u>	
Professional and Legal					
Professional fees	173,961	158,502	(15,459)		increase in the number of officers hired during year
Legal Fees	172,224	205,000	32,776	16%	lower indemnification costs
	<u>346,185</u>	<u>363,502</u>	<u>17,317</u>	<u>5%</u>	
Training					
Recruit Training	75,930	135,000	59,070	44%	fewer recruits hired than planned
Training - Mandatory	250,743	256,248	5,505	2%	
	<u>326,673</u>	<u>391,248</u>	<u>64,575</u>	<u>17%</u>	
Rentals					
Rentals/Leases - Parking	3,933	-	(3,933)		parking for Waterfront sub-office not budgeted
Rentals/Leases - Range	16,260	18,000	1,740	10%	
Rentals/Leases - Office Equipment	-	-	-		
	<u>20,193</u>	<u>18,000</u>	<u>(2,193)</u>	<u>-12%</u>	
Marketing & Promotions	17,966	36,000	18,034	50%	less purchases made in the year
Recovery - Secondments	(277,110)	(135,001)	142,109	-105%	4 additional police officer seconded in the last quarter of 2016
Total Before Allocated Costs	<u><u>30,172,096</u></u>	<u><u>30,175,154</u></u>	<u><u>3,058</u></u>	<u><u>0%</u></u>	

TransLink Allocated Costs - 2016 Actual

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Period ending	December 31, 2016		
	Actual	2016 Budget	Variance
Salaries	688,402	701,703	13,301
Administration	185,364	247,149	61,785
Computers & Systems	642,874	681,874	39,000
Rentals	1,792,843	2,005,256	212,413
Depreciation and Interest	229,111	25,883	(203,228)
	<u>3,538,594</u>	<u>3,661,865</u>	<u>123,271</u>