

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: July 11, 2016

**Subject: Transit Police 2016 Q2 Financial Operating Status Report
[Police Board Report No. 2016-19] – 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 June 30, 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 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, the requirement that officers are visible and accountable, that Transit Police employs best practices, is evidence-based, and is intelligence-led. The SDM can accommodate the unique features of each 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 will continue to advance the SDM full implementation, which also helps prepare for the increase in service area and ridership arising from the Evergreen extension when it comes on stream.

In 2016, the Transit Police continues to focus on the operational priorities of:

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

The Transit Police's budget for 2016 is \$30,075,026. The budget does not include potential wage increases for union staff negotiated during the year in 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

Q2 Results (Appendix A)

As of June 30, 2016, the Police Service's total expenditures were \$14,861,742 compared with the year to date budget of \$15,232,757 (Appendix A). The positive quarterly variance of \$371,015 (2%) is largely due to salary and overtime savings, and differences between the budgeted and actual timing of expenditures. Some of the timing differences are due to seasonal factors which will result in higher expenditures later in the year. Specifically, overtime will likely not remain in a favourable position for the balance of the year, as overtime costs are significantly higher than average during the summer months as a result

of a number of large public events taking place combined with increased annual leave.

2016 Forecast Based on Q2 Results (Appendix B)

As of June 30, 2016, the Police Service’s total expenditures were \$14,861,742, with 51% (or \$15,213,412) of total budgeted expenditures remaining (see Appendix A).

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

A summary of cost savings and over expenditures follows:

Reconciliation of Expenditures:

<u>Savings:</u>	<u>(\$000)</u>
Training	55
Radio Communication	45
Vehicle Costs	13
	<u>113</u>
<u>Over Expenditures:</u>	
Materials	44
Outside Services	15
Professional Fees	10
Administration	5
Parking	4
	<u>78</u>
Net Savings	<u><u>\$35</u></u>

Key savings are outlined below:

- “Training ” cost is forecasted to be \$55 Thousand under budget due to lower recruits fees as fewer recruits were hired than originally planned;
- “Radio Communications” cost is forecasted to be \$45 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 security initiative;

- “Vehicle” cost saving of \$13 Thousand is forecasted due to lower fuel prices expected in the year.

Offsetting the above savings is an unfavourable variance expected in the following areas:

- “Material” cost is forecasted to be \$44 Thousand over budget largely due to the purchase of replacement jackets for police officers;
- “Outside Services” cost is forecasted to be \$15 Thousand over budget due to renovation costs for the Broadway Commercial sub-office (offset by lower uniform dry-cleaning cost);
- “Professional Fees” cost is forecasted to be \$10 Thousand over budget due to extra recruitment costs for police officers;
- “Administration” cost is forecasted to be \$5 Thousand over budget largely due to an increase in the Criminal Intelligence Service membership dues in the year;
- “Parking” cost is expected to be \$4 Thousand over budget due to unbudgeted costs for parking at the new Waterfront Station sub-office.

TransLink Allocated Costs

Allocated costs from TransLink are not included in the Transit Police budget, which is consistent with the other TransLink’s 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 2016 is \$3,661,838.

As of June 30, 2016, total TransLink allocated costs were \$1,654,885, compared with the year to date budget of \$1,835,655 (see Appendix C). The positive quarterly variance of \$180,770 (10%) is largely due to lower premises rental costs.

CONCLUSION

For the second quarter of 2016, there is a small positive budget variance and the Transit Police remains positioned for a balanced budget for year-end. This forecast does not take into account any wage increases for union staff that may be negotiated during the year in the new Collective Agreement. Any additional

wage increases negotiated with the union that would push the Transit Police into a deficit position will be funded out of TransLink's contingency account.

Chief Officer Doug LePard

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Submitting Senior Executive Member: Barry Kross, Deputy Chief Officer – Support Services

Transit Police 2016 Actual

Board Report No 2016-19/Appendix A

Period Ending	June 30, 2016				2016 Remaining			
	Actual YTD	Budget YTD	Variance	%	Budget	Budget	%	
Labour								
Salaries	10,406,179	10,574,289	168,110	2%	21,434,631	11,028,452	51%	savings due to vacancies
Overtime	210,756	380,207	169,451	45%	763,339	552,583	72%	timing and OT savings
Benefits	2,698,153	2,773,833	75,680	3%	4,969,631	2,271,478	46%	timing of benefits
	<u>13,315,088</u>	<u>13,728,329</u>	<u>413,241</u>	<u>3%</u>	<u>27,167,601</u>	<u>13,852,513</u>	<u>51%</u>	
						-		
Vehicles								
Fuel	73,400	94,500	21,100	22%	189,004	115,604	61%	lower price for fuel
Vehicle Maintenance	58,982	58,674	(308)	-1%	122,404	63,422	52%	
Vehicle Outfitting	19,787	2,500	(17,287)	-691%	7,500	(12,287)	-164%	retrofit of siren controllers, additional vehicle wrap
Vehicle Leases	18,481	23,424	4,943		46,804	28,323	61%	less vehicles being leased
Insurance	19,002	19,338	336	2%	40,000	20,998	52%	
	<u>189,652</u>	<u>198,436</u>	<u>8,784</u>	<u>4%</u>	<u>405,712</u>	<u>216,060</u>	<u>53%</u>	
						-		
Materials								
Materials - Uniforms	53,819	38,820	(14,999)	-39%	89,999	36,180	40%	timing
Materials - Other	48,688	35,776	(12,912)	-36%	79,353	30,665	39%	timing
Materials - Firearms/Ammunition	6,823	34,790	27,967		52,500	45,677	87%	timing
Material s- Outerwear	67,622	57,286	(10,336)	-18%	101,008	33,386	33%	jacket replacement
	<u>176,952</u>	<u>166,672</u>	<u>(10,280)</u>	<u>-6%</u>	<u>322,860</u>	<u>145,908</u>	<u>45%</u>	
						-		
Outside Services								
Maintenance and Repairs	17,467	18,258	791	4%	31,505	14,038	45%	
Uniform Cleaning	32,511	52,977	20,466	39%	105,494	72,983	69%	dry cleaning costs lower than budgeted
Other Services	88,881	86,122	(2,759)	-3%	192,511	103,630	54%	air quality testing at premises
Minor Renovations	35,712	45,000	9,288	21%	45,000	9,288	21%	timing
	<u>174,571</u>	<u>202,357</u>	<u>27,786</u>	<u>14%</u>	<u>374,510</u>	<u>199,939</u>	<u>53%</u>	
						-		
Administration								
Office Equipment	11,611	4,000	(7,611)	-190%	15,000	3,389	23%	timing
Stationery and Supplies	34,223	32,152	(2,071)	-6%	64,404	30,181	47%	timing
Memberships/Subscriptions	24,587	21,117	(3,470)	-16%	60,813	36,226	60%	timing
Board Remuneration	15,359	12,942	(2,417)	-19%	40,000	24,641	62%	timing
Other Administration	6,350	8,420	2,070	25%	23,005	16,655	72%	timing
	<u>92,130</u>	<u>78,631</u>	<u>(13,499)</u>	<u>-17%</u>	<u>203,222</u>	<u>111,092</u>	<u>55%</u>	
						-		
Telecommunications								
Telecommunications	-	-	-		-	-		
Radio Communication Equipment	579,694	463,548	(116,146)	-25%	927,500	347,806	37%	E-Comm levy for Q2 paid early
	<u>579,694</u>	<u>463,548</u>	<u>(116,146)</u>	<u>-25%</u>	<u>927,500</u>	<u>347,806</u>	<u>37%</u>	
						-		
Professional and Legal								
Professional fees	77,062	84,207	7,145		158,502	81,440	51%	timing
Legal Fees	110,793	112,800	2,007	2%	205,000	94,207	46%	
	<u>187,855</u>	<u>197,007</u>	<u>9,152</u>	<u>5%</u>	<u>363,502</u>	<u>175,647</u>	<u>48%</u>	
						-		
Training								
Recruit Training	75,930	67,500	(8,430)	-12%	135,000	59,070	44%	timing
Training - Mandatory	90,943	140,264	49,321	35%	256,248	165,305	65%	timing
	<u>166,873</u>	<u>207,764</u>	<u>40,891</u>	<u>20%</u>	<u>391,248</u>	<u>224,375</u>	<u>57%</u>	
						-		
Rentals								
Rentals/Leases - Parking	2,471	-	(2,471)		-	(2,471)		parking for Waterfront sub-office
Rentals/Leases - Range	13,277	7,013	(6,264)	-89%	18,000	4,723	26%	timing
Rentals/Leases - Office Equipment	-	-	-		-	-		
	<u>15,748</u>	<u>7,013</u>	<u>(8,735)</u>	<u>-125%</u>	<u>18,000</u>	<u>2,252</u>	<u>13%</u>	
						-		
Marketing & Promotions	4,646	16,750	12,104	72%	36,000	31,354	87%	timing
						-		
Recovery - Secondments	(41,467)	(33,750)	7,717	-23%	(135,001)	(93,534)	69%	timing
						-		
Total Before Allocated Costs	<u>14,861,742</u>	<u>15,232,757</u>	<u>371,015</u>	<u>2%</u>	<u>30,075,154</u>	<u>15,213,412</u>	<u>51%</u>	

Transit Police 2016 Forecast

Period ending June 30, 2016

Board Report No. 2016-19/Appendix B

	2016 Budget	2016 Forecast	Variance	%
Labour				
Salaries	21,434,631	21,484,631	(50,000)	0% AV differential on previous years retro
Overtime	763,339	663,339	100,000	13% less OT required
Benefits	4,969,631	5,019,631	(50,000)	-1% higher WCB premiums
	<u>27,167,601</u>	<u>27,167,601</u>	-	0%
Vehicles				
Fuel	189,004	164,004	25,000	13% fuel price lower than budgeted
Vehicle Maintenance	122,404	122,404	-	0%
Vehicle Outfitting	7,500	22,500	(15,000)	-200% siren controllers for new vehicles
Vehicle Leases	46,804	43,804	3,000	6% less vehicles leases
Insurance	40,000	40,000	-	0%
	<u>405,712</u>	<u>392,712</u>	<u>13,000</u>	<u>3%</u>
Materials				
Materials - Operators' Uniforms	89,999	99,999	(10,000)	-11% additional uniforms for new hires and promoti
Materials - Misc	79,353	84,353	(5,000)	-6% additional purchases
Materials - Firearms/Ammunition	52,500	46,000	6,500	12% less ammunition purchased
Materials - Outerwear	101,008	136,008	(35,000)	-35% additional replacement jackets
	<u>322,860</u>	<u>366,360</u>	<u>(43,500)</u>	<u>-13%</u>
Outside Services				
Maintenance and Repairs	31,505	31,505	-	0%
Uniform Cleaning	105,494	65,494	40,000	38% savings from using drycleaning service
Other Services	192,511	207,511	(15,000)	-8% air quality tests at Bridgeport office
Minor Renovations	45,000	85,000	(40,000)	-89% sub office renovation
	<u>374,510</u>	<u>389,510</u>	<u>(15,000)</u>	<u>-4%</u>
Administration				
Office Equipment	15,000	15,000	-	0%
Stationery and Supplies	64,404	64,404	-	0%
Memberships/Subscriptions	60,813	65,813	(5,000)	-8% additional legal subscription costs and
Police Board Expenses	40,000	40,000	-	0% an increase in the CISBC membership fee
Other Administration	23,005	23,005	-	0%
	<u>203,222</u>	<u>208,222</u>	<u>(5,000)</u>	<u>-2%</u>
Telecommunications				
Telecommunications	-	-	-	
Radio Communication Equipment	927,500	882,500	45,000	5% credit received for 2014 E-Comm levy and
	<u>927,500</u>	<u>882,500</u>	<u>45,000</u>	<u>5% 2FA fee lower than budgeted</u>
Professional and Legal				
Professional fees	158,502	168,502	(10,000)	-6% recruiting costs higher than budgeted
Legal Fees	205,000	205,000	-	0%
	<u>363,502</u>	<u>373,502</u>	<u>(10,000)</u>	<u>-3%</u>
Training				
Training & Education	135,000	80,000	55,000	41% fewer recruits to be hired than planned
Training - Mandatory	256,248	256,248	-	0%
	<u>391,248</u>	<u>336,248</u>	<u>55,000</u>	<u>14%</u>
Rentals				
Rentals/Leases - Parking	-	4,500	(4,500)	parking stalls for waterfront sub office
Rentals/Leases - Range	18,000	18,000	-	0%
Rentals/Leases - Office Equipment	-	-	-	
	<u>18,000</u>	<u>22,500</u>	<u>(4,500)</u>	<u>-25%</u>
Marketing & Promotions				
	36,000	36,000	-	0%
Property Taxes				
	-	-	-	
Recovery - Secondments				
	(135,001)	(135,001)	-	0%
Total	<u><u>30,075,154</u></u>	<u><u>30,040,154</u></u>	<u><u>35,000</u></u>	<u><u>0%</u></u>

TransLink Allocated Costs - 2016 Actual

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Period ending	June 30, 2016				2016	Remaining	
	Actual YTD	Budget YTD	Variance	%	Budget	Budget	%
Salaries	343,375	356,635	13,260	4%	701,703	529,604	75%
Administration	92,188	96,242	4,054	4%	191,443	136,415	71%
Computers & Systems	302,431	340,592	38,161	11%	681,445	535,766	79%
Rentals	887,960	1,028,946	140,986	14%	2,061,391	1,649,138	80%
Depreciation and Interest	28,931	13,240	(15,691)	-119%	25,883	18,908	73%
	<u>1,654,885</u>	<u>1,835,655</u>	<u>180,770</u>	<u>10%</u>	<u>3,661,865</u>	<u>2,006,980</u>	<u>55%</u>