

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 14, 2017

**Subject: Transit Police 2017 Q2 Financial Operating Status Report
[Police Board Report No. 2017-21] – 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, 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 by TransLink 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

Q2 Results (Appendix A)

As of June 30, 2017, the Police Service's total expenditures were \$15,457,338 compared with the year to date budget of \$16,433,382 (Appendix A). The positive quarterly variance of \$976,044 (6%) 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 Q2 Results (Appendix B)

As of June 30, 2017, the Police Service has \$17,215,777 (53%) of total budgeted expenditures remaining (see Appendix A). Based on the second quarter results and projected expenditures to come, 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	62
Training	42
Radio Communications	<u>10</u>
	114
 <u>Over Expenditures:</u>	
Computer Software	52
Materials	20
Vehicle	10
Police Board	5
Parking	<u>4</u>
	91
 Net Savings	 <u><u>\$23</u></u>

Key savings are outlined below:

- “Salaries ” are forecasted to be \$62 Thousand better than budget due to additional secondment recoveries of \$250 Thousand (increased constable secondments) offset by salary costs of \$188 Thousand for backfilling in operations;
- “Training” costs are forecasted to be \$43 Thousand under budget due to fewer recruits being hired than planned;
- “Radio Communications” costs are 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:

- Computer Software” costs are expected to be \$52 Thousand greater than budgeted due to the purchase of SceneDoc software licenses as part of a pilot project for electronic evidence collection;
- “Materials” costs are estimated to be \$20 Thousand over budget due to additional cartridges for the Conducted Energy Weapons (CEWs) and for the purchase of extra defibrillators (AEDs);

- “Vehicle” costs are forecasted to be \$10 Thousand over budget due to the installation cost for prisoner cages in the newer police vehicles;
- “Police Board” costs are forecasted to be \$5 Thousand over budget as a result of additional training/conference costs incurred in the year;
- “Parking” costs are expected to be \$4 Thousand over budget due to parking for the new Waterfront sub-office not being included in the budget.

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 June 30, 2017, total TransLink allocated costs were \$1,986,568, compared with the year to date budget of \$2,094,300 (see Appendix C). The positive quarterly variance of \$107,732(5%) is largely due to lower building rent and lower depreciation and interest costs.

CONCLUSION

As of June 30, 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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Administrative Services

Transit Police 2017 Actual

Board Report No. 2017-21 / Appendix A

Period ending	June 30, 2017				2017	Remaining		
	Actual YTD	Budget YTD	Variance	%	Budget	Budget	%	
Labour								
Salaries	11,139,971	11,570,976	431,005	4%	23,596,569	12,456,598	53%	savings due to vacancies
Overtime	385,204	380,107	(5,097)	-1%	937,710	552,506	59%	
Benefits	<u>2,835,870</u>	<u>2,985,943</u>	<u>150,073</u>	5%	<u>5,167,900</u>	<u>2,332,030</u>	45%	savings due to vacancies
	14,361,045	14,937,026	575,981	4%	29,702,179	15,341,134	52%	
Recoveries - Secondments	<u>(423,995)</u>	<u>(224,000)</u>	<u>199,995</u>	-89%	<u>(448,001)</u>	<u>(24,006)</u>	5%	more officers seconded than planned
Labour net of Recoveries	13,937,050	14,713,026	775,976	5%	29,254,178	15,317,128	52%	
						-		
Vehicles								
Fuel	89,200	94,998	5,798	6%	190,000	100,800	53%	fuel consumption lower
Vehicle Maintenance	60,064	62,042	1,978	3%	127,402	67,338	53%	
Vehicle Outfitting	19,371	5,500	(13,871)	-252%	15,000	(4,371)	-29%	Installation of prisoner cages in police vehicles
Vehicle Leases	13,146	15,000	1,854		30,000	16,854	56%	
Insurance	21,701	22,500	799	4%	44,999	23,298	52%	
	<u>203,482</u>	<u>200,040</u>	<u>(3,442)</u>	-2%	<u>407,401</u>	<u>203,919</u>	50%	
						-		
Materials								
Materials - Uniforms	38,909	62,877	23,968	38%	125,001	86,092	69%	timing
Materials - Other	47,058	40,977	(6,081)	-15%	78,138	31,080	40%	timing
Materials - Firearms/Ammunition	48,390	58,536	10,146		76,001	27,611	36%	timing
Materials - Outerwear	54,419	71,623	17,204	24%	122,761	68,342	56%	timing
	<u>188,776</u>	<u>234,013</u>	<u>45,237</u>	19%	<u>401,901</u>	<u>213,125</u>	53%	
						-		
Outside Services								
Maintenance and Repairs	20,063	19,260	(803)	-4%	33,505	13,442	40%	
Uniform Cleaning	33,094	35,493	2,399	7%	70,528	37,434	53%	timing
Other Services	175,997	175,703	(294)	0%	375,509	199,512	53%	
Minor Renovations	7,365	49,000	41,635	85%	49,000	41,635	85%	timing
	<u>236,519</u>	<u>279,456</u>	<u>42,937</u>	15%	<u>528,542</u>	<u>292,023</u>	55%	
						-		
Administration								
Office Equipment	1,392	5,000	3,608	72%	16,500	15,108	92%	timing
Stationery and Supplies	27,784	34,542	6,758	20%	69,104	41,320	60%	timing
Memberships/Subscriptions	22,497	20,371	(2,126)	-10%	61,011	38,514	63%	timing
Board Remuneration	18,090	12,942	(5,148)	-40%	40,000	21,910	55%	timing
Other Administration	10,284	9,214	(1,070)	-12%	21,462	11,178	52%	
	<u>80,047</u>	<u>82,069</u>	<u>2,022</u>	2%	<u>208,077</u>	<u>128,030</u>	62%	
						-		
Telecommunications								
Telecommunications	-	-	-		-	-		
Radio Communication Equipment	429,259	439,972	10,713	2%	888,348	459,089	52%	2FA project delayed
	<u>429,259</u>	<u>439,972</u>	<u>10,713</u>	2%	<u>888,348</u>	<u>459,089</u>	52%	
						-		
Professional and Legal								
Professional fees	72,016	85,152	13,136		232,999	160,983	69%	timing
Legal Fees	86,458	123,000	36,542	30%	220,400	133,942	61%	lower indemnification costs
	<u>158,474</u>	<u>208,152</u>	<u>49,678</u>	24%	<u>453,399</u>	<u>294,925</u>	65%	
						-		
Computers								
Computer Hardware	-	-	-		-	-		
Computer Software	-	-	-		-	-		
	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>		
						-		
Training								
Recruit Training	54,648	67,500	12,852	19%	138,000	83,352	60%	fewer recruits hired
Training - Mandatory	139,262	155,891	16,629	11%	280,269	141,007	50%	timing
	<u>193,910</u>	<u>223,391</u>	<u>29,481</u>	13%	<u>418,269</u>	<u>224,359</u>	54%	
						-		
Rentals								
Rentals/Leases - Parking	1,815	-	(1,815)		-	(1,815)		parking not included in budget
Rentals/Leases - Range	5,387	7,013	1,626	23%	18,000	12,613	70%	
Rentals/Leases - Office Equipment	-	-	-		-	-		
	<u>7,202</u>	<u>7,013</u>	<u>(189)</u>	-3%	<u>18,000</u>	<u>10,798</u>	60%	
						-		
Marketing & Promotions	22,619	46,250	23,631	51%	95,000	72,381	76%	timing
						-		
Total Before Allocated Costs	<u>15,457,338</u>	<u>16,433,382</u>	<u>976,044</u>	6%	<u>32,673,115</u>	<u>17,215,777</u>	53%	

Transit Police 2017 Forecast
Board Report No. 2017-21 / Appendix B

Period ending June 30, 2017

	2017 Budget	2017 Forecast	Variance	%	
Labour					
Salaries	23,596,569	23,776,569	(180,000)	-1%	backfill of additional officers seconded
Overtime	937,710	937,710	-	0%	
Benefits	5,167,900	5,175,900	(8,000)	0%	backfill of additional officers seconded
	<u>29,702,179</u>	<u>29,890,179</u>	<u>(188,000)</u>	<u>-1%</u>	
Recoveries - Secondments					
	(448,001)	(698,001)	250,000	56%	additional recoveries for officers seconded
Labour net of Recoveries	<u>29,254,178</u>	<u>29,192,178</u>	<u>62,000</u>	<u>0%</u>	
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%	
	<u>407,401</u>	<u>417,401</u>	<u>(10,000)</u>	<u>-2%</u>	
Materials					
Materials - Operators' Uniforms	125,001	125,001	-	0%	
Materials - Misc	78,138	90,638	(12,500)	-16%	extra AEDs purchased
Materials - Firearms/Ammunition	76,001	81,001	(5,000)	-7%	extra CEW cartridges purchased
Materials - Outerwear	122,761	125,261	(2,500)	-2%	jackets for new hires
	<u>401,901</u>	<u>421,901</u>	<u>(20,000)</u>	<u>-5%</u>	
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	49,000	-	0%	HQ renovation deferred
	<u>528,542</u>	<u>528,542</u>	<u>-</u>	<u>0%</u>	
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	45,000	(5,000)	-13%	extra conference travel costs
Other Administration	21,462	21,462	-	0%	
	<u>208,077</u>	<u>213,077</u>	<u>(5,000)</u>	<u>-2%</u>	
Telecommunications					
Telecommunications	-	-	-		
Radio Communication Equipment	888,348	878,348	10,000	1%	delay in 2 Factor Authentication
	<u>888,348</u>	<u>878,348</u>	<u>10,000</u>	<u>1%</u>	
Professional and Legal					
Professional fees	232,999	232,999	-	0%	
Legal Fees	220,400	220,400	-	0%	
	<u>453,399</u>	<u>453,399</u>	<u>-</u>	<u>0%</u>	
Computers					
Computer Hardware	-	-	-		
Computer Software	-	52,000	(52,000)	0%	SceneDoc software licensing
	<u>-</u>	<u>52,000</u>	<u>(52,000)</u>	<u>0%</u>	
Training					
Training & Education	138,000	56,000	82,000	60%	fewer recruits hired than planned
Training - Mandatory	280,269	320,269	(40,000)	-14%	phased Interviewing training for officers
	<u>418,269</u>	<u>376,269</u>	<u>42,000</u>	<u>10%</u>	
Rentals					
Rentals/Leases - Parking	-	4,000	(4,000)	N/A	new Waterfront officer parking not included in budget
Rentals/Leases - Range	18,000	18,000	-	0%	
Rentals/Leases - Office Equipment	-	-	-		
	<u>18,000</u>	<u>22,000</u>	<u>(4,000)</u>	<u>-25%</u>	
Marketing & Promotions					
	95,000	95,000	-	0%	
Total	<u><u>32,673,115</u></u>	<u><u>32,650,115</u></u>	<u><u>23,000</u></u>	<u><u>0.1%</u></u>	

TransLink Allocated Costs - 2017 Actual

Board Report No. 2017-21 / Appendix C

Period ending	June 30, 2017				2017		Remaining	
	Actual YTD	Budget YTD	Variance	%	Budget	Budget	%	
Salaries	351,854	363,743	11,889	3%	714,533	529,604	74%	
Administration	135,929	166,291	30,362	18%	321,252	136,415	42%	
Computers & Systems	408,956	363,810	(45,146)	-12%	753,549	535,766	71%	
Rentals	938,878	1,005,390	66,512	7%	2,010,780	1,649,138	82%	
Depreciation and Interest	150,951	195,066	44,115	23%	384,671	18,908	5%	
	<u>1,986,568</u>	<u>2,094,300</u>	<u>107,732</u>	<u>5%</u>	<u>4,184,785</u>	<u>2,198,217</u>	<u>53%</u>	