

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 7, 2016

**Subject: Transit Police 2016 Q1 Financial Operating Status Report
[Police Board Report No. 2016-11] – 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, 2016, for the Police Board's review and consideration.

POLICY

Police Board Policy requires the Chief Officer to submit quarterly financial status reports for the Transit Police.

BACKGROUND/DISCUSSION

In 2016, the Transit Police will launch 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 transit needs will require flexibility and even

more attention to efficiencies in the service providers, including the Transit Police as a TransLink subsidiary.

TransLink holds the safety and security of its passengers as the highest priority. As the dedicated and specialist police service, the Transit Police 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 demonstrate excellence in public transit policing.

In 2015, the Transit Police commenced implementation of a new Community-Based Service Deployment 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 requirements that officers are visible and accountable, that Transit Police employs best practices, is evidence-based, and intelligence-led. The SDM can accommodate the unique features of each Community Service Area while at the same time ensuring 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 Line 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 the new Collective Agreement (previous Agreement expired December 31, 2015). The budget does not include TransLink allocated costs for centralized services, such as Sapperton premises rent and IT.

Q1 Results (Appendix A)

As of March 31, 2016, the Police Service's total expenditures were \$7,122,264, compared with the year to date budget of \$7,532,596 (Appendix A). The positive quarterly variance of \$410,332 (5%) is largely due to: salary savings; 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.

2016 Forecast Based on Q1 Results (Appendix B)

As of March 31, 2016, the Police Service's total expenditures were \$7,122,264, with 76% (or \$22,952,890) of total budgeted expenditures remaining (see Appendix A).

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

A summary of cost savings and over expenditures follows below.

Reconciliation of Expenditures:

<u>Savings:</u>	<u>(\$000)</u>
Outside Services	25
Radio Communication	20
Vehicle costs	<u>13</u>
	58
 <u>Over Expenditures:</u>	
Recoveries	20
Materials	13
Professional Fees	10
Parking	<u>5</u>
	48
 Net Savings	 <u><u>\$10</u></u>

Key savings are outlined below:

- "Outside Services " cost is forecasted to be \$25 Thousand under budget due to lower uniform dry-cleaning cost;
- "Radio Communications" cost is forecasted to be \$20 Thousand less than budget primarily due to 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:

- “Recoveries” are forecasted to be \$20 Thousand lower than budget;
- “Material” cost is forecasted to be \$13 Thousand over budget largely due to the purchase of replacement jackets for police officers;
- “Professional Fees” cost is forecasted to be \$10 Thousand over budget due to extra recruitment costs for police officers;
- “Parking” cost is expected to be \$5 Thousand over budget due to unbudgeted costs for parking at the waterfront 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/consumes the service or cost. The allocated costs to Transit Police cover Information Technology, Premise Rental, Payroll and some Human Resources, for a total cost of \$3,661,838.

As of March 31, 2016, quarterly TransLink allocated costs were \$792,034, compared with the year to date budget of \$917,333 (see Appendix C). The positive quarterly variance of \$125,299 (5%) is largely due to timing of premise rental costs.

CONCLUSION

For the first quarter of 2016, there is a 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.

Transit Police 2016 Actual

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Period ending	March 31, 2016							
	Actual YTD	Budget YTD	Variance	%	2016 Budget	Remaining Budget	%	
Labour								
Salaries	5,002,080	5,277,123	275,043	5%	21,434,631	16,432,551	77%	savings due to vacancies
Overtime	100,967	190,103	89,136	47%	763,339	662,372	87%	reduction in OT costs
Benefits	1,338,717	1,400,046	61,329	4%	4,969,631	3,630,914	73%	
	<u>6,441,764</u>	<u>6,867,272</u>	<u>425,508</u>	<u>6%</u>	<u>27,167,601</u>	<u>20,725,837</u>	<u>76%</u>	
						-		
Vehicles								
Fuel	37,923	47,250	9,327	20%	189,004	151,081	80%	lower price for fuel
Vehicle Maintenance	19,079	29,337	10,258	35%	122,404	103,325	84%	timing
Vehicle Outfitting	10,985	1,500	(9,485)	-632%	7,500	(3,485)	-46%	timing and retrofit of siren controllers in new Explorers
Vehicle Leases	10,274	11,712	1,438		46,804	36,530	78%	
Insurance	9,669	9,669	-	0%	40,000	30,331	76%	
	<u>87,930</u>	<u>99,468</u>	<u>11,538</u>	<u>12%</u>	<u>405,712</u>	<u>317,782</u>	<u>78%</u>	
						-		
Materials								
Materials- Uniforms	22,313	15,300	(7,013)	-46%	89,999	67,686	75%	timing
Materials-Other	13,192	13,520	328	2%	79,353	66,161	83%	timing
Materials- Firearms/Ammunition	662	5,000	4,338		52,500	51,838	99%	timing
Materials- Outerwear	27,156	26,402	(754)	-3%	101,008	73,852	73%	
	<u>63,323</u>	<u>60,222</u>	<u>(3,101)</u>	<u>-5%</u>	<u>322,860</u>	<u>259,537</u>	<u>80%</u>	
						-		
Outside Services								
Maintenance and Repairs	7,846	3,989	(3,857)	-97%	31,505	23,659	75%	timing
Uniform Cleaning	11,474	26,505	15,031	57%	105,494	94,020	89%	dry-cleaning costs lower than budgeted
Other Services	50,390	22,065	(28,325)	-128%	192,511	142,121	74%	air quality testing of Bridgeport office, dashboard for OCC dat
Minor Renovations	22,043	15,400	(6,643)	-43%	45,000	22,957	51%	Waterfront sub-office renovations
	<u>91,753</u>	<u>67,959</u>	<u>(23,794)</u>	<u>-35%</u>	<u>374,510</u>	<u>282,757</u>	<u>76%</u>	
						-		
Administration								
Office Equipment	834	3,520	2,686	76%	15,000	14,166	94%	timing
Stationery and Supplies	15,555	16,025	470	3%	64,404	48,849	76%	
Memberships/Subscriptions	14,011	6,076	(7,935)	-131%	60,813	46,802	77%	timing
Board Remuneration	6,001	4,537	(1,464)	-32%	40,000	33,999	85%	
Other Administration	2,400	3,964	1,564	39%	23,005	20,605	90%	
	<u>38,801</u>	<u>34,122</u>	<u>(4,679)</u>	<u>-14%</u>	<u>203,222</u>	<u>164,421</u>	<u>81%</u>	
						-		
Telecommunications								
Telecommunications	-	-	-		-	-		
Radio Communication Equipment	230,724	227,129	(3,595)	-2%	927,500	696,776	75%	
	<u>230,724</u>	<u>227,129</u>	<u>(3,595)</u>	<u>-2%</u>	<u>927,500</u>	<u>696,776</u>	<u>75%</u>	
						-		
Professional and Legal								
Professional fees	33,631	40,859	7,228		158,502	124,871	79%	timing
Legal Fees	64,274	56,400	(7,874)	-14%	205,000	140,726	69%	timing
	<u>97,905</u>	<u>97,259</u>	<u>(646)</u>	<u>-1%</u>	<u>363,502</u>	<u>265,597</u>	<u>73%</u>	
						-		
Training								
Recruit Training	31,389	-	(31,389)	N/A	135,000	103,611	77%	timing
Training - Mandatory	39,976	70,327	30,351	43%	256,248	216,272	84%	timing
	<u>71,365</u>	<u>70,327</u>	<u>(1,038)</u>	<u>-1%</u>	<u>391,248</u>	<u>319,883</u>	<u>82%</u>	
						-		
Rentals								
Rentals/Leases - Parking	1,063	-	(1,063)		-	(1,063)		parking for Waterfront sub-office
Rentals/Leases - Range	2,189	1,088	(1,101)	-101%	18,000	15,811	88%	
Rentals/Leases - Office Equipment	-	-	-		-	-		
	<u>3,252</u>	<u>1,088</u>	<u>(2,164)</u>	<u>-199%</u>	<u>18,000</u>	<u>14,748</u>	<u>82%</u>	
						-		
Marketing & Promotions	890	7,750	6,860	89%	36,000	35,110	98%	timing
						-		
Recovery - Secondments	(5,443)	-	5,443	N/A	(135,001)	(129,558)	96%	
						-		
Total Before Allocated Costs	<u>7,122,264</u>	<u>7,532,596</u>	<u>410,332</u>	<u>5%</u>	<u>30,075,154</u>	<u>22,952,890</u>	<u>76%</u>	

Transit Police 2016 Forecast
Period ending March 31, 2016

Board Report No. 2016-11 / Appendix B

	2016 Budget	2016 Forecast	Variance	%
Labour				
Salaries	21,434,631	21,434,631	-	0%
Overtime	763,339	763,339	-	0%
Benefits	4,969,631	4,969,631	-	0%
	<u>27,167,601</u>	<u>27,167,601</u>	-	0%
Vehicles				
Fuel	189,004	169,004	20,000	11% fuel price lower than budgeted
Vehicle Maintenance	122,404	122,404	-	0%
Vehicle Outfitting	7,500	14,500	(7,000)	-93% siren controllers for new vehicles
Vehicle Leases	46,804	46,804	-	0%
Insurance	40,000	40,000	-	0%
	<u>405,712</u>	<u>392,712</u>	13,000	3%
Materials				
Materials - Operators' Uniforms	89,999	89,999	-	0%
Materials - Misc	79,353	79,353	-	0%
Materials - Firearms/Ammunition	52,500	41,000	11,500	22% less ammunition purchased
Materials - Outerwear	101,008	126,008	(25,000)	-25% additional replacement jackets
	<u>322,860</u>	<u>336,360</u>	(13,500)	-4%
Outside Services				
Maintenance and Repairs	31,505	31,505	-	0%
Uniform Cleaning	105,494	70,494	35,000	33% savings from using dry-cleaning service
Other Services	192,511	202,511	(10,000)	-5% air quality tests at Bridgeport Office
Minor Renovations	45,000	45,000	-	0%
	<u>374,510</u>	<u>349,510</u>	25,000	7%
Administration				
Office Equipment	15,000	15,000	-	0%
Stationery and Supplies	64,404	64,404	-	0%
Memberships/Subscriptions	60,813	60,813	-	0%
Police Board Expenses	40,000	40,000	-	0%
Other Administration	23,005	23,005	-	0%
	<u>203,222</u>	<u>203,222</u>	-	0%
Telecommunications				
Telecommunications	-	-	-	
Radio Communication Equipment	927,500	907,500	20,000	2% 2FA fee lower than budgeted
	<u>927,500</u>	<u>907,500</u>	20,000	2%
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>	(10,000)	-3%
Training				
Training and Education	135,000	135,000	-	0%
Training - Mandatory	256,248	256,248	-	0%
	<u>391,248</u>	<u>391,248</u>	-	0%
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>	(4,500)	-25%
Marketing and Promotions				
	36,000	36,000	-	0%
Property Taxes				
	-	-	-	
Recovery - Secondments				
	(135,001)	(115,001)	(20,000)	15% delay in seconding a police officer to integrate
Total	<u><u>30,075,154</u></u>	<u><u>30,065,154</u></u>	10,000	0%

TransLink Allocated Costs - 2016 Actual

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Period ending	March 31, 2016				2016 Budget	Remaining Budget	%
	Actual YTD	Budget YTD	Variance	%			
Salaries	172,099	178,222	6,123	3%	701,703	529,604	75%
Administration	55,028	45,740	(9,288)	-20%	191,443	136,415	71%
Computers & Systems	145,679	170,278	24,599	14%	681,445	535,766	79%
Rentals	412,253	514,448	102,195	20%	2,061,391	1,649,138	80%
Depreciation and Interest	6,975	8,645	1,670	19%	25,883	18,908	73%
	<u>792,034</u>	<u>917,333</u>	<u>125,299</u>	<u>14%</u>	<u>3,661,865</u>	<u>2,869,831</u>	<u>78%</u>