

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: October 11, 2017

**Subject: Transit Police 2017 Q3 Financial Operating Status Report
[Police Board Report No. 2017-35] – 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 September 30, 2017, for the Police Board's review and consideration.

BACKGROUND

During 2017 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. The six Neighbourhood Police Officers (NPOs), continue to engage with the public and jurisdictional police agencies in their assigned CSA's.

The Evergreen Extension, comprising six new SkyTrain Stations and 11 kilometres of guideway on the Millennium Line, with increased ridership, is placing significant new demands on Transit Police resources. For 2017, 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 throughout 2017.

The Transit Police 2016-2020 Strategic 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 continue to 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

Q3 Results (Appendix A)

As of September 30, 2017, the Police Service's total expenditures were \$23,469,153 compared with the year to date budget of \$24,706,076 (Appendix A). The positive quarterly variance of \$1,236,923 (5.0%) 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 Q3 Results (Appendix B)

As of September 30, 2017, the Police Service has \$9,203,962 (28%) of the total budgeted expenditures remaining (see Appendix A). Based on the third quarter results and projected expenditures to come, the Transit Police is presently projecting a positive variance of \$244 Thousand 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	367
Training	8
Radio Communications	<u>10</u>
	385
 <u>Over Expenditures:</u>	
Legal Costs	75
Materials	27
Vehicle	20
Outside Services	10
Police Board	5
Parking	<u>4</u>
	141
 Net Savings	 <u><u>\$244</u></u>

Key savings are outlined below:

- “Salaries ” are forecasted to be \$367 Thousand better than budget due to additional secondment recoveries of \$445 Thousand (increased constable secondments) and offset by salary costs of \$78 Thousand for backfilling in operations;
- “Radio Communications“ costs are forecasted to be \$10 Thousand less than budget primarily due the 2 Factor Authentication security initiative being delayed to next year;
- “Training” costs are expected to be \$8 thousand less than budget due to fewer recruits being hired than planned.

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

- “Legal“ costs are forecasted to be \$75 Thousand over budget due to unforeseen labour management issues.
- “Materials” costs are estimated to be \$27 Thousand over budget due to the purchase of additional cartridges for new Conducted Energy Weapons (CEWs) and for the purchase of extra defibrillators (AEDs);

- “Vehicle” costs are forecasted to be \$20 Thousand over budget due to the installation cost for prisoner cages in the newer police vehicles;
- “Outside Services” are forecasted to be \$10 Thousand over budget due to increased investigative recordings requiring transcription;
- “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 September 30, 2017, total TransLink allocated costs were \$2,969,171, compared with the year to date budget of \$3,136,366 (see Appendix C). The positive quarterly variance of \$167,195 (5%) is largely due to lower building rent and lower depreciation and interest costs.

CONCLUSION

As of September 30, 2017, the Transit Police is forecasting a positive budget variance of \$244 thousand 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. 2017-35/Appendix A

Period ending	September 30, 2017				2017	Remaining		
	Actual YTD	Budget YTD	Variance	%	Budget	Budget	%	
Labour								
Salaries	17,036,664	17,426,321	389,657	2%	23,596,569	6,559,905	28%	savings due to vacancies
Overtime	751,406	748,037	(3,369)	0%	937,710	186,304	20%	
Benefits	3,991,411	4,265,110	273,699	6%	5,167,900	1,176,489	23%	savings due to vacancies
	<u>21,779,481</u>	<u>22,439,468</u>	<u>659,987</u>	<u>3%</u>	<u>29,702,179</u>	<u>7,922,698</u>	<u>27%</u>	
Recoveries - Secondments	(710,215)	(224,000)	486,215	-217%	(448,001)	262,214	-59%	more officers seconded than planned
Labour net of Recoveries	<u>21,069,266</u>	<u>22,215,468</u>	<u>1,146,202</u>	<u>5%</u>	<u>29,254,178</u>	<u>8,184,912</u>	<u>28%</u>	
Vehicles								
Fuel	136,930	142,497	5,567	4%	190,000	53,070	28%	fuel consumption lower
Vehicle Maintenance	90,928	95,049	4,121	4%	127,402	36,474	29%	
Vehicle Outfitting	29,135	12,000	(17,135)	-143%	15,000	(14,135)	-94%	Installation of prisoner cages in police vehicles
Vehicle Leases	19,628	22,500	2,872		30,000	10,372	35%	
Insurance	34,135	33,750	(385)	-1%	44,999	10,864	24%	
	<u>310,756</u>	<u>305,796</u>	<u>(4,960)</u>	<u>-2%</u>	<u>407,401</u>	<u>96,645</u>	<u>24%</u>	
Materials								
Materials - Uniforms	65,561	99,392	33,831	34%	125,001	59,440	48%	timing
Materials - Other	73,289	59,577	(13,712)	-23%	78,138	4,849	6%	timing
Materials - Firearms/Ammunition	60,075	69,419	9,344		76,001	15,926	21%	timing
Materials - Outerwear	66,579	100,280	33,701	34%	122,761	56,182	46%	timing
	<u>265,504</u>	<u>328,668</u>	<u>63,164</u>	<u>19%</u>	<u>401,901</u>	<u>136,397</u>	<u>34%</u>	
Outside Services								
Maintenance and Repairs	29,560	28,730	(830)	-3%	33,505	3,945	12%	
Uniform Cleaning	47,175	50,727	3,552	7%	70,528	23,353	33%	timing
Other Services	259,405	257,639	(1,766)	-1%	375,509	116,104	31%	
Minor Renovations	18,729	49,000	30,271	62%	49,000	30,271	62%	timing
	<u>354,869</u>	<u>386,096</u>	<u>31,227</u>	<u>8%</u>	<u>528,542</u>	<u>173,673</u>	<u>33%</u>	
Administration								
Office Equipment	2,101	6,000	3,899	65%	16,500	14,399	87%	timing
Stationery and Supplies	48,462	51,864	3,402	7%	69,104	20,642	30%	timing
Memberships/Subscriptions	35,631	34,522	(1,109)	-3%	61,011	25,380	42%	timing
Board Remuneration	22,340	27,230	4,890	18%	40,000	17,660	44%	timing
Other Administration	17,535	16,063	(1,472)	-9%	21,462	3,927	18%	
	<u>126,069</u>	<u>135,679</u>	<u>9,610</u>	<u>7%</u>	<u>208,077</u>	<u>82,008</u>	<u>39%</u>	
Telecommunications								
Telecommunications	-	-	-		-	-		
Radio Communication Equipment	642,967	660,603	17,636	3%	888,348	245,381	28%	2FA project delayed
	<u>642,967</u>	<u>660,603</u>	<u>17,636</u>	<u>3%</u>	<u>888,348</u>	<u>245,381</u>	<u>28%</u>	
Professional and Legal								
Professional fees	108,729	115,457	6,728		232,999	124,270	53%	timing
Legal Fees	215,932	184,199	(31,733)	-17%	220,400	4,468	2%	unforeseen labour management issue
	<u>324,661</u>	<u>299,656</u>	<u>(25,005)</u>	<u>-8%</u>	<u>453,399</u>	<u>128,738</u>	<u>28%</u>	
Training								
Recruit Training	119,448	67,500	(51,948)	-77%	138,000	18,552	13%	timing of when recruits were hired
Training - Mandatory	195,247	224,617	29,370	13%	280,269	85,022	30%	timing
	<u>314,695</u>	<u>292,117</u>	<u>(22,578)</u>	<u>-8%</u>	<u>418,269</u>	<u>103,574</u>	<u>25%</u>	
Rentals								
Rentals/Leases - Parking	3,295	-	(3,295)		-	(3,295)		parking not included in budget
Rentals/Leases - Range	15,907	13,243	(2,664)	-20%	18,000	2,093	12%	timing
Rentals/Leases - Office Equipment	-	-	-		-	-		
	<u>19,202</u>	<u>13,243</u>	<u>(5,959)</u>	<u>-45%</u>	<u>18,000</u>	<u>(1,202)</u>	<u>-7%</u>	
Marketing & Promotions	41,164	68,750	27,586	40%	95,000	53,836	57%	timing
Total Before Allocated Costs	<u>23,469,153</u>	<u>24,706,076</u>	<u>1,236,923</u>	<u>5%</u>	<u>32,673,115</u>	<u>9,203,962</u>	<u>28%</u>	

Transit Police 2017 Forecast

Period ending September 30, 2017

Board Report No. 2017-35/Appendix B

	2017 Budget	2017 Forecast	Variance	%	
Labour					
Salaries	23,596,569	23,666,569	(70,000)	0%	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>29,780,179</u>	<u>(78,000)</u>	<u>0%</u>	
Recoveries - Secondments	(448,001)	(893,001)	445,000	99%	Additional officers seconded
Labour net of Recoveries	<u>29,254,178</u>	<u>28,887,178</u>	<u>367,000</u>	<u>1%</u>	
Vehicles					
Fuel	190,000	190,000	-	0%	
Vehicle Maintenance	127,402	127,402	-	0%	
Vehicle Outfitting	15,000	30,000	(15,000)	-100%	Installation of prisoner cages in police vehicles
Vehicle Leases	30,000	30,000	-	0%	
Insurance	44,999	49,999	(5,000)	-11%	Increase in the size of fleet
	<u>407,401</u>	<u>427,401</u>	<u>(20,000)</u>	<u>-5%</u>	
Materials					
Materials - Operators' Uniforms	125,001	125,001	-	0%	
Materials - Misc	78,138	98,138	(20,000)	-26%	Extra AED's purchased
Materials - Firearms/Ammunition	76,001	81,001	(5,000)	-7%	Extra CEW cartridges
Materials - Outerwear	122,761	125,261	(2,500)	-2%	Additional jackets for new hires
	<u>401,901</u>	<u>429,401</u>	<u>(27,500)</u>	<u>-7%</u>	
Outside Services					
Maintenance and Repairs	33,505	33,505	-	0%	
Uniform Cleaning	70,528	70,528	-	0%	
Other Services	375,509	385,509	(10,000)	-3%	Higher transcription costs
Minor Renovations	49,000	49,000	-	0%	
	<u>528,542</u>	<u>538,542</u>	<u>(10,000)</u>	<u>-2%</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	295,400	(75,000)	-34%	unforeseen labour management issue
	<u>453,399</u>	<u>528,399</u>	<u>(75,000)</u>	<u>-17%</u>	
Training					
Training & Education	138,000	120,000	18,000	13%	Fewer recruits hired
Training - Mandatory	280,269	290,269	(10,000)	-4%	Ethical Interviewing training for sworn members
	<u>418,269</u>	<u>410,269</u>	<u>8,000</u>	<u>2%</u>	
Rentals					
Rentals/Leases - Parking	-	4,000	(4,000)	N/A	Waterfront 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>-22%</u>	
Marketing & Promotions					
	95,000	95,000	-	0%	
Total	<u><u>32,673,115</u></u>	<u><u>32,429,615</u></u>	<u><u>243,500</u></u>	<u><u>0.7%</u></u>	

TransLink Allocated Costs - 2017 Actual

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Period ending	September 30, 2017						
	Actual YTD	Budget YTD	Variance	%	2017 Budget	Remaining Budget	%
Salaries	534,575	540,615	6,040	1%	714,533	179,958	25%
Administration	197,807	243,958	46,151	19%	321,252	123,445	38%
Computers & Systems	608,461	551,117	(57,344)	-10%	753,549	145,088	19%
Rentals	1,401,347	1,508,085	106,738	7%	2,010,780	609,433	30%
Depreciation and Interest	226,981	292,591	65,610	22%	384,671	157,690	41%
	<u>2,969,171</u>	<u>3,136,366</u>	<u>167,195</u>	<u>5%</u>	<u>4,184,785</u>	<u>1,215,614</u>	<u>29%</u>