

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: April 9, 2018

**Subject: Transit Police 2018 Q1 Financial Operating Status Report
[Police Board Report No. 2018-07] – 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, 2018 for the Police Board's review and consideration.

BACKGROUND

Transit Police is entering the third year of its 2016-2020 Strategic Plan. This plan covers a period that will see considerable changes to the regional transit system and levels of ridership. Such growth and the need for transit policing services must be addressed by the Transit Police while facing funding pressures. Therefore, there is a need for organizational flexibility and continued focus on identifying efficiencies wherever possible. The Transit Police will continue to focus on three Strategic Goals:

- A safe and secure transit system;
- Confidence in the use of public transit;
- Regional services that enhance local policing and community safety.

For 2018, with the concurrence of the Police Board, TSML and TransLink, an increase to the authorized strength of eight sworn officers and one civilian was approved, with a corresponding increase to the budget. This enabled a second incremental increase of sworn officers to address the policing needs of the Evergreen Extension. Further, it has enabled the Transit Police to increase the General Investigation Unit by two positions, allowing it to be restructured to provide seven days a week coverage rather than four. Further, crime analysis capacity has been improved with the addition of one civilian position.

The Transit Police's budget for 2018 is \$32,447,135. The budget does not include TransLink "allocated costs" for centralized services, such as Sapperton premises' rent and for Information Technology services.

DISCUSSION

Q1 Results (Appendix A)

As of March 31, 2018, the Police Service's total expenditures were \$7,636,561 compared with the year to date budget of \$7,922,045 (Appendix A). The positive quarterly variance of \$285,484 (3.6%) 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.

2018 Forecast Based on Q1 Results (Appendix B)

As of March 31, 2018, the Police Service has \$24,810,608 (76%) of the total budgeted expenditures remaining (see Appendix A). Based on the first quarter results and projected expenditures to come, the Transit Police is presently projecting a small positive budget 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 | 50 |
| Radio Communications | 80 |
| Materials | 20 |
| | <u>150</u> |

| | |
|---------------------------|---------------------|
| <u>Over Expenditures:</u> | |
| Training costs | 40 |
| | <u>40</u> |
| Net Savings | <u><u>\$110</u></u> |

Key savings are outlined below:

- “Salaries” are forecasted to be \$50 Thousand better than budget due to additional secondment recoveries of \$250 Thousand (increased constable secondments) and offset by salary costs of \$200 Thousand for backfilling in operations;
- “Radio Communications” costs are forecasted to be \$80 Thousand less than budget primarily due to user equipment costs no longer being included in the E-Comm levy; the equipment was paid out of the capital budget;
- “Material” costs are expected to be \$20 Thousand less than budget due to fewer police jackets being purchased this year as a portion of the jackets were purchased in 2017.

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

- “Training” costs are forecasted to be \$40 Thousand over budget due to additional recruits being hired to replace retiring police officers;

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 services. Total allocated costs budgeted for 2018 are \$5,092,303.

As of March 31, 2018, total TransLink allocated costs were \$1,152,116 compared with the year to date budget of \$1,238,655 (see Appendix C). The positive

quarterly variance of \$86,539 (7%) is largely due to timing differences between the budgeted and actual timing of expenditures.

CONCLUSION

As of March 31, 2018, the Transit Police is forecasting a positive budget variance of approximately \$110 Thousand for year-end. This year's budget included an estimate for any wage increases resulting from negotiation/arbitration of a new Collective Agreement. The arbitration decision was issued on February 22, 2018, and calculations are now underway to finalize the cost to the 2018 budget. These costs will be reported in the Q2 financial operating status report to the Police Board.

Chief Officer Doug LePard

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

Transit Police 2018 Actual

Board Report No. 2018-07/Appendix A

| Period ending | March 31, 2018 | | | | | | | |
|-------------------------------------|------------------|------------------|-----------------|--------------|-------------------|-------------------|------------|---|
| | Actual YTD | Budget YTD | Variance | % | 2018 Budget | Remaining Budget | % | |
| Labour | | | | | | | | |
| Salaries | 6,122,872 | 6,098,002 | (24,870) | 0% | 25,184,229 | 19,061,357 | 76% | backfilling of secondments |
| Overtime | 189,373 | 158,871 | (30,502) | -19% | 947,537 | 758,164 | 80% | timing |
| Benefits | 1,093,805 | 1,224,320 | 130,515 | 11% | 4,244,553 | 3,150,748 | 74% | timing |
| | <u>7,406,050</u> | <u>7,481,193</u> | <u>75,143</u> | <u>1%</u> | <u>30,376,319</u> | <u>22,970,269</u> | <u>76%</u> | |
| Recoveries - Secondments | (336,962) | (229,950) | 107,012 | -47% | (921,323) | (584,361) | 63% | more officers seconded than planned |
| Labour net of Recoveries | <u>7,069,088</u> | <u>7,251,243</u> | <u>182,155</u> | <u>3%</u> | <u>29,454,996</u> | <u>22,385,908</u> | <u>76%</u> | |
| | | | | | | | | |
| Vehicles | | | | | | | | |
| Fuel | 51,308 | 53,499 | 2,191 | 4% | 215,000 | 163,692 | 76% | |
| Vehicle Maintenance | 21,346 | 24,179 | 2,833 | 12% | 102,502 | 81,156 | 79% | |
| Vehicle Outfitting | 9,126 | 1,500 | (7,626) | -508% | 15,000 | 5,874 | 39% | |
| Vehicle Leases | 6,603 | 7,500 | 897 | | 30,000 | 23,397 | 78% | |
| Insurance | 12,450 | 12,450 | - | 0% | 49,999 | 37,549 | 75% | |
| | <u>100,833</u> | <u>99,128</u> | <u>(1,705)</u> | <u>-2%</u> | <u>412,501</u> | <u>311,668</u> | <u>76%</u> | |
| Materials | | | | | | | | |
| Materials - Uniforms | 18,293 | 28,106 | 9,813 | 35% | 120,201 | 101,908 | 85% | timing |
| Materials - Other | 9,919 | 19,224 | 9,305 | 48% | 98,139 | 88,220 | 90% | timing |
| Materials - Firearms/Ammunition | 4,211 | 4,700 | 489 | | 18,801 | 14,590 | 78% | |
| Materials - Outerwear | 15,218 | 37,625 | 22,407 | 60% | 134,494 | 119,276 | 89% | timing |
| | <u>47,641</u> | <u>89,655</u> | <u>42,014</u> | <u>47%</u> | <u>371,635</u> | <u>323,994</u> | <u>87%</u> | |
| Outside Services | | | | | | | | |
| Maintenance and Repairs | 9,279 | 4,490 | (4,789) | -107% | 33,505 | 24,226 | 72% | |
| Uniform Cleaning | 24,496 | 16,938 | (7,558) | -45% | 79,253 | 54,757 | 69% | |
| Other Services | 61,100 | 32,853 | (28,247) | -86% | 202,712 | 141,612 | 70% | timing |
| Minor Renovations | 2,042 | 15,400 | 13,358 | 87% | 40,000 | 37,958 | 95% | timing |
| | <u>96,917</u> | <u>69,681</u> | <u>(27,236)</u> | <u>-39%</u> | <u>355,470</u> | <u>258,553</u> | <u>73%</u> | |
| Administration | | | | | | | | |
| Office Equipment | 1,022 | 4,020 | 2,998 | 75% | 16,500 | 15,478 | 94% | |
| Stationery and Supplies | 20,223 | 15,670 | (4,553) | -29% | 64,104 | 43,881 | 68% | |
| Memberships/Subscriptions | 10,223 | 6,526 | (3,697) | -57% | 61,611 | 51,388 | 83% | |
| Board Remuneration | 7,438 | 4,537 | (2,901) | -64% | 41,750 | 34,312 | 82% | |
| Other Administration | 4,206 | 4,760 | 554 | 12% | 24,402 | 20,196 | 83% | |
| | <u>43,112</u> | <u>35,513</u> | <u>(7,599)</u> | <u>-21%</u> | <u>208,367</u> | <u>165,255</u> | <u>79%</u> | |
| Telecommunications | | | | | | | | |
| Telecommunications | - | - | - | | - | - | | |
| Radio Communication Equipment | 145,953 | 176,887 | 30,934 | 17% | 708,532 | 562,579 | 79% | Lower as equipment paid out of capital budget |
| | <u>145,953</u> | <u>176,887</u> | <u>30,934</u> | <u>17%</u> | <u>708,532</u> | <u>562,579</u> | <u>79%</u> | |
| Professional and Legal | | | | | | | | |
| Professional fees | 36,655 | 45,437 | 8,782 | | 168,799 | 132,144 | 78% | timing |
| Legal Fees | 20,791 | 61,500 | 40,709 | 66% | 220,000 | 199,209 | 91% | timing |
| | <u>57,446</u> | <u>106,937</u> | <u>49,491</u> | <u>46%</u> | <u>388,799</u> | <u>331,353</u> | <u>85%</u> | |
| Training | | | | | | | | |
| Recruit Training | - | - | - | N/A | 182,000 | 182,000 | 100% | |
| Training - Mandatory | 67,043 | 77,664 | 10,621 | 14% | 282,869 | 215,826 | 76% | timing |
| | <u>67,043</u> | <u>77,664</u> | <u>10,621</u> | <u>14%</u> | <u>464,869</u> | <u>397,826</u> | <u>86%</u> | |
| Rentals | | | | | | | | |
| Rentals/Leases - Parking | 1,452 | 999 | (453) | | 4,000 | 2,548 | | |
| Rentals/Leases - Range | - | 1,088 | 1,088 | 100% | 18,000 | 18,000 | 100% | |
| Rentals/Leases - Office Equipment | - | - | - | | - | - | | |
| | <u>4,452</u> | <u>2,087</u> | <u>(2,365)</u> | <u>-113%</u> | <u>22,000</u> | <u>17,548</u> | <u>80%</u> | |
| Marketing & Promotions | 4,076 | 13,250 | 9,174 | 69% | 60,000 | 55,924 | 93% | timing |
| Total Before Allocated Costs | <u>7,636,561</u> | <u>7,922,045</u> | <u>285,484</u> | <u>4%</u> | <u>32,447,169</u> | <u>24,810,608</u> | <u>76%</u> | |

Transit Police 2018 Forecast

Board Report No. 2018-07/Appendix B

Period ending March 31, 2018

| | 2018 Budget | 2018 Forecast | Variance | % | |
|-----------------------------------|--------------------------|--------------------------|-----------------------|--------------------|---|
| Labour | | | | | |
| Salaries | 25,184,229 | 25,349,229 | (165,000) | -1% | Backfill of additional officers seconded |
| Overtime | 947,537 | 947,537 | - | 0% | |
| Benefits | 4,244,553 | 4,279,553 | (35,000) | -1% | Backfill of additional officers seconded |
| | <u>30,376,319</u> | <u>30,576,319</u> | <u>(200,000)</u> | <u>-1%</u> | |
| Recoveries - Secondments | (921,323) | (1,171,323) | 250,000 | 27% | Additional officers seconded |
| Labour net of Recoveries | 29,454,996 | 29,404,996 | 50,000 | 0% | |
| Vehicles | | | | | |
| Fuel | 215,000 | 215,000 | - | 0% | |
| Vehicle Maintenance | 102,502 | 102,502 | - | 0% | |
| Vehicle Outfitting | 15,000 | 15,000 | - | 0% | |
| Vehicle Leases | 30,000 | 30,000 | - | 0% | |
| Insurance | 49,999 | 49,999 | - | 0% | |
| | <u>412,501</u> | <u>412,501</u> | <u>-</u> | <u>0%</u> | |
| Materials | | | | | |
| Materials - Operators' Uniforms | 120,201 | 120,201 | - | 0% | |
| Materials - Misc | 98,139 | 98,139 | - | 0% | |
| Materials - Firearms/Ammunition | 18,801 | 18,801 | - | 0% | |
| Materials - Outerwear | 134,494 | 114,494 | 20,000 | 15% | Fewer jackets purchased |
| | <u>371,635</u> | <u>351,635</u> | <u>20,000</u> | <u>5%</u> | |
| Outside Services | | | | | |
| Maintenance and Repairs | 33,505 | 33,505 | - | 0% | |
| Uniform Cleaning | 79,253 | 79,253 | - | 0% | |
| Other Services | 202,712 | 202,712 | - | 0% | |
| Minor Renovations | 40,000 | 40,000 | - | 0% | |
| | <u>355,470</u> | <u>355,470</u> | <u>-</u> | <u>0%</u> | |
| Administration | | | | | |
| Office Equipment | 16,500 | 16,500 | - | 0% | |
| Stationery and Supplies | 64,104 | 64,104 | - | 0% | |
| Memberships/Subscriptions | 61,611 | 61,611 | - | 0% | |
| Police Board Expenses | 41,750 | 41,750 | - | 0% | |
| Other Administration | 24,402 | 24,402 | - | 0% | |
| | <u>208,367</u> | <u>208,367</u> | <u>-</u> | <u>0%</u> | |
| Telecommunications | | | | | |
| Telecommunications | - | - | - | | |
| Radio Communication Equipment | 708,532 | 628,532 | 80,000 | 11% | Lower E-Comm levy as equipment paid out of capital budget |
| | <u>708,532</u> | <u>628,532</u> | <u>80,000</u> | <u>11%</u> | |
| Professional and Legal | | | | | |
| Professional fees | 168,799 | 168,799 | - | 0% | |
| Legal Fees | 220,000 | 220,000 | - | 0% | |
| | <u>388,799</u> | <u>388,799</u> | <u>-</u> | <u>0%</u> | |
| Computers | | | | | |
| Computer Hardware | - | - | - | | |
| Computer Software | - | - | - | 0% | |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>0%</u> | |
| Training | | | | | |
| Training & Education | 182,000 | 222,000 | (40,000) | -22% | Additional recruits to be hired |
| Training - Mandatory | 282,869 | 282,869 | - | 0% | |
| | <u>464,869</u> | <u>504,869</u> | <u>(40,000)</u> | <u>-9%</u> | |
| Rentals | | | | | |
| Rentals/Leases - Parking | 4,000 | 4,000 | - | N/A | |
| Rentals/Leases - Range | 18,000 | 18,000 | - | 0% | |
| Rentals/Leases - Office Equipment | - | - | - | | |
| | <u>22,000</u> | <u>22,000</u> | <u>-</u> | <u>0%</u> | |
| Marketing & Promotions | | | | | |
| | 60,000 | 60,000 | - | 0% | |
| Property Taxes | | | | | |
| | - | - | - | | |
| Total | <u><u>32,447,169</u></u> | <u><u>32,337,169</u></u> | <u><u>110,000</u></u> | <u><u>0.3%</u></u> | |

TransLink Allocated Costs - 2018 Actual

Board Report No. 2018-7/Appendix C

| Period ending | March 31, 2018 | | | | 2018 Budget | Remaining Budget | % |
|---------------------|------------------|------------------|---------------|-----------|------------------|---------------------|------------|
| | Actual YTD | Budget YTD | Variance | % | | | |
| Salaries | 179,218 | 187,391 | 8,173 | 4% | 737,177 | 557,959 | 76% |
| Administration | 103,494 | 128,557 | 25,063 | 19% | 545,976 | 442,482 | 81% |
| Computers & Systems | 398,846 | 437,701 | 38,855 | 9% | 1,900,704 | 1,501,858 | 79% |
| Rentals | 470,558 | 485,006 | 14,448 | 3% | 1,908,446 | 1,437,888 | 75% |
| | <u>1,152,116</u> | <u>1,238,655</u> | <u>86,539</u> | <u>7%</u> | <u>5,092,303</u> | <u>3,940,187</u> | <u>77%</u> |