

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 20, 2018

**Subject: Transit Police 2018 Q2 Financial Operating Status Report
[Police Board Report No. 2018-17] – 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, 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; and
- 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. The Transit Police's crime analysis capacity has also 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 Information Technology services.

DISCUSSION

Q2 Results (Appendix A)

As of June 30, 2018, the Police Service's total expenditures were \$15,831,044 compared with the year to date budget of \$16,096,097 (Appendix A). The positive quarterly variance of \$265,053 (1.6%) is largely due to additional recoveries for officers on secondment, and differences between the budgeted and actual timing of expenditures.

2018 Forecast Based on Q2 Results (Appendix B)

As of June 30, 2018, the Police Service has \$16,616,125 (51%) of the total budgeted expenditures remaining. Based on the second 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>
Radio Communications	80
Materials	40
Legal Fees	20
	<hr/>
	140

Over Expenditures:

Training costs	30
Outside Services	30
Vehicle costs	<u>5</u>
	65
Net Savings	<u><u>\$75</u></u>

Key savings are outlined below:

- “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 \$40 Thousand less than budget due to fewer police jackets and body armour being purchased this year, as a portion were purchased in 2017;
- “Legal” costs are forecasted to be \$20 Thousand less than budget as less legal costs were incurred for the indemnification of police officers.

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

- “Training” costs are forecasted to be \$30 Thousand over budget due to additional costs for the phased interview training for police officers;
- “Outside Services” costs are expected to be \$30 Thousand more than budget due to: higher transcription costs, higher uniform cleaning costs as a result of replacing the old Transit Police flashes with the new Metro Vancouver Transit Police flashes, and additional cleaning allowances for seconded officers (fully recoverable); and
- “Vehicle” costs are forecasted to be \$5 Thousand more than budget due to additional outfitting costs for the new police dog vehicles.

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 June 30, 2018, total TransLink allocated costs were \$2,388,744 compared with the year to date budget of \$2,478,213 (see Appendix C). The positive quarterly variance of \$89,467(4%) is largely due to lower building rent and lower software costs.

CONCLUSION

As of June 30, 2018, the Transit Police is forecasting a positive budget variance of approximately \$75 Thousand for year-end. This year's budget included an estimate for any wage increases resulting from negotiation/arbitration of a new Collective Agreement. With the arbitration decision issued on February 22, 2018, Transit Police has determined that a sufficient amount was budgeted for salary costs for 2018.

Chief Officer Doug LePard

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Submitting Senior Executive Member:

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Transit Police 2018 Actual

Board Report No. 2018-17/Appendix A

Period ending	June 30, 2018							
	Actual YTD	Budget YTD	Variance	%	2018 Budget	Remaining Budget	%	
Labour								
Salaries	12,438,013	12,285,923	(152,090)	-1%	25,184,229	12,746,216	51%	Backfilling of secondments
Overtime	579,918	305,480	(274,438)	-90%	947,537	367,619	39%	Backfilling of members on sick/leave
Benefits	<u>2,216,270</u>	<u>2,422,557</u>	<u>206,287</u>	9%	<u>4,244,553</u>	<u>2,028,283</u>	<u>48%</u>	Timing
	15,234,201	15,013,960	(220,241)	-1%	30,376,319	15,142,118	50%	
Recoveries - Secondments	<u>(699,863)</u>	<u>(459,901)</u>	<u>239,962</u>	-52%	<u>(921,323)</u>	<u>(221,460)</u>	24%	More officers seconded than planned
Labour net of Recoveries	14,534,338	14,554,059	19,721	0%	29,454,996	14,920,658	51%	
						-		
Vehicles								
Fuel	101,211	107,998	6,787	6%	215,000	113,789	53%	
Vehicle Maintenance	48,143	49,042	899	2%	102,502	54,359	53%	
Vehicle Outfitting	16,098	5,500	(10,598)	-193%	15,000	(1,098)	-7%	Extra costs for outfitting of K9 vehicles
Vehicle Leases	13,206	15,000	1,794		30,000	16,794	56%	
Insurance	<u>25,095</u>	<u>24,900</u>	<u>(195)</u>	-1%	<u>49,999</u>	<u>24,904</u>	<u>50%</u>	
	203,753	202,440	(1,313)	-1%	412,501	208,748	51%	
						-		
Materials								
Materials - Uniforms	34,298	54,052	19,754	37%	120,201	85,903	71%	Timing
Materials - Other	51,782	59,905	8,123	14%	98,139	46,357	47%	Timing
Materials - Firearms/Ammunition	7,792	15,836	8,044		18,801	11,009	59%	Timing
Materials - Outerwear	<u>38,793</u>	<u>77,123</u>	<u>38,330</u>	50%	<u>134,494</u>	<u>95,701</u>	<u>71%</u>	Timing
	132,665	206,916	74,251	36%	371,635	238,970	64%	
						-		
Outside Services								
Maintenance and Repairs	21,873	19,260	(2,613)	-14%	33,505	11,632	35%	
Uniform Cleaning	59,243	39,743	(19,500)	-49%	79,253	20,010	25%	Extra costs for attaching new flashes
Other Services	105,386	96,100	(9,286)	-10%	202,712	97,326	48%	Timing
Minor Renovations	<u>10,704</u>	<u>40,000</u>	<u>29,296</u>	73%	<u>40,000</u>	<u>29,296</u>	<u>73%</u>	Timing
	197,206	195,103	(2,103)	-1%	355,470	158,264	45%	
						-		
Administration								
Office Equipment	6,047	5,000	(1,047)	-21%	16,500	10,453	63%	
Stationery and Supplies	39,019	32,042	(6,977)	-22%	64,104	25,085	39%	Timing
Memberships/Subscriptions	21,651	21,221	(430)	-2%	61,611	39,960	65%	
Board Remuneration	14,301	13,692	(609)	-4%	41,750	27,449	66%	
Other Administration	<u>14,820</u>	<u>10,884</u>	<u>(3,936)</u>	-36%	<u>24,402</u>	<u>9,582</u>	<u>39%</u>	Higher courier costs
	95,838	82,839	(12,999)	-16%	208,367	112,529	54%	
						-		
Telecommunications								
Telecommunications	-	-	-		-	-		
Radio Communication Equipment	<u>296,776</u>	<u>355,064</u>	<u>58,288</u>	16%	<u>708,532</u>	<u>411,756</u>	<u>58%</u>	Lower as equipment paid out of capital budget
	296,776	355,064	58,288	16%	708,532	411,756	58%	
						-		
Professional and Legal								
Professional fees	69,405	94,252	24,847		168,799	99,394	59%	Timing
Legal Fees	<u>41,531</u>	<u>123,000</u>	<u>81,469</u>	66%	<u>220,000</u>	<u>178,469</u>	<u>81%</u>	Lower legal costs
	110,936	217,252	106,316	49%	388,799	277,863	71%	
						-		
Computers								
Computer Hardware	-	-	-		-	-		
Computer Software	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>		
	-	-	-		-	-		
						-		
Training								
Recruit Training	90,792	91,000	208	0%	182,000	91,208	50%	
Training - Mandatory	<u>136,612</u>	<u>153,163</u>	<u>16,551</u>	11%	<u>282,869</u>	<u>146,257</u>	<u>52%</u>	Timing
	227,404	244,163	16,759	7%	464,869	237,465	51%	
						-		
Rentals								
Rentals/Leases - Parking	2,541	1,998	(543)		4,000	1,459		
Rentals/Leases - Range	12,060	7,013	(5,047)	-72%	18,000	5,940	33%	Timing
Rentals/Leases - Office Equipment	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>		
	14,601	9,011	(5,590)	-62%	22,000	7,399	34%	
						-		
Marketing & Promotions	17,527	29,250	11,723	40%	60,000	42,473	71%	Timing
						-		
Total Before Allocated Costs	<u>15,831,044</u>	<u>16,096,097</u>	<u>265,053</u>	1.6%	<u>32,447,169</u>	<u>16,616,125</u>	51%	

Transit Police 2018 Forecast

Period ending June 30, 2018

Board Report No. 2018-17/Appendix B

	2018 Budget	2018 Forecast	Variance	%	
Labour					
Salaries	25,184,229	25,349,229	(165,000)	-1%	More officers seconded than budgeted
Overtime	947,537	1,097,537	(150,000)	-16%	Additional OT for backfilling Supervisors on leave/sick
Benefits	4,244,553	4,279,553	(35,000)	-1%	More officers seconded than budgeted
	<u>30,376,319</u>	<u>30,726,319</u>	<u>(350,000)</u>	<u>-1%</u>	
Recoveries - Secondments	(921,323)	(1,271,323)	350,000	38%	Additional recoveries for officers seconded
Labour net of Recoveries	29,454,996	29,454,996	-	0%	
Vehicles					
Fuel	215,000	215,000	-	0%	
Vehicle Maintenance	102,502	97,502	5,000	5%	Fewer repairs needed as fleet is newer
Vehicle Outfitting	15,000	25,000	(10,000)	-67%	Extra costs for outfitting of K9 vehicles
Vehicle Leases	30,000	30,000	-	0%	
Insurance	49,999	49,999	-	0%	
	<u>412,501</u>	<u>417,501</u>	<u>(5,000)</u>	<u>-1%</u>	
Materials					
Materials - Operators' Uniforms	120,201	110,201	10,000	8%	Fewer new uniforms needed than planned
Materials - Misc	98,139	98,139	-	0%	
Materials - Firearms/Ammunition	18,801	18,801	-	0%	
Materials - Outerwear	134,494	104,494	30,000	22%	Fewer jackets purchased
	<u>371,635</u>	<u>331,635</u>	<u>40,000</u>	<u>11%</u>	
Outside Services					
Maintenance and Repairs	33,505	33,505	-	0%	
Uniform Cleaning	79,253	99,253	(20,000)	-25%	Extra costs for attaching new flashes
Other Services	202,712	212,712	(10,000)	-5%	Additional transcription costs
Minor Renovations	40,000	40,000	-	0%	
	<u>355,470</u>	<u>385,470</u>	<u>(30,000)</u>	<u>-8%</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	200,000	20,000	9%	Lower legal costs related to Police Act investigations
	<u>388,799</u>	<u>368,799</u>	<u>20,000</u>	<u>5%</u>	
Computers					
Computer Hardware	-	-	-		
Computer Software	-	-	-	0%	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>0%</u>	
Training					
Training & Education	182,000	182,000	-	0%	
Training - Mandatory	282,869	312,869	(30,000)	-11%	Additional training costs
	<u>464,869</u>	<u>494,869</u>	<u>(30,000)</u>	<u>-6%</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%	
Total	<u><u>32,447,169</u></u>	<u><u>32,372,169</u></u>	<u><u>75,000</u></u>	<u>0.2%</u>	

TransLink Allocated Costs - 2018 Actual

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Period ending	June 30, 2018				2018		
	Actual YTD	Budget YTD	Variance	%	Budget	Remaining Budget	%
Salaries	364,101	374,595	10,494	3%	737,177	373,076	51%
Administration	241,255	255,872	14,617	6%	545,976	304,721	56%
Computers & Systems	856,704	888,260	31,556	4%	1,900,704	1,044,000	55%
Rentals	926,684	959,486	32,802	3%	1,908,446	981,762	51%
	<u>2,388,744</u>	<u>2,478,213</u>	<u>89,469</u>	<u>4%</u>	<u>5,092,303</u>	<u>2,703,559</u>	<u>53%</u>