

**PUBLIC**

**To: South Coast British Columbia Transportation Authority Police Board (Police Board)**

**From: Interim Chief Officer Barry Kross  
South Coast British Columbia Transportation Authority Police Service (Transit Police)**

**Date: October 10, 2018**

**Subject: Transit Police 2018 Q3 Financial Operating Status Report  
[Police Board Report No. 2018-36] – Public Agenda**

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***INFORMATION REPORT***

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**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, 2018 for the Police Board's review and consideration.

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**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 increase of sworn officers has enabled the Transit Police to increase the General Investigation Unit by two positions, providing for 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 restated budget for 2018 is \$32,751,169 which includes an additional \$304 Thousand transferred from TransLink's contingency fund. The contingency amount was required to cover a portion of the new Collective Agreement wage increases (the final wage settlement was not known until after the 2018 budget had already been approved). The budget does not include TransLink "allocated costs" for centralized services, such as Sapperton premises rent and Information Technology services.

## **DISCUSSION**

### **Q3 Results (Appendix A)**

As of September 30, 2018, the Police Service's total expenditures were \$24,023,077 compared with the year to date budget of \$24,334,414 (see Appendix A). The positive year to date variance of \$311,337 (1.3%) is largely due to additional recoveries for officers on secondment, and differences between the budgeted and actual timing of expenditures.

### **2018 Forecast Based on Q3 Results (Appendix B)**

As of September 30, 2018, the Police Service has \$8,728,092 (27%) of the total budgeted expenditures remaining. Based on the third quarter results and projected expenditures to come, the Transit Police is presently projecting a positive budget variance by year-end (see Appendix B).

A summary of forecasted cost savings and over expenditures follows:

#### **Reconciliation of Expenditures:**

<u>Savings:</u>	<u>(\$000)</u>
Recoveries	350
Radio Communications	90
Materials	45
Legal Fees	40
	<u>525</u>

<u>Over Expenditures:</u>	
Salary costs	310
Outside Services	45
Training	36
Vehicle costs	22
Administration	10
	<u>423</u>
 Net Savings	 <u><u>\$102</u></u>

Key savings are outlined below:

- “Recoveries” are expected to be \$350 Thousand higher than budget due to additional police officers being assigned to paid secondments.
- “Radio Communications” costs are forecasted to be \$90 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 \$40 Thousand less than budget as fewer 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:

- “Salary” costs are expected to be \$310 Thousand higher than budgeted, largely as a result of higher over-time costs for additional police officers being called in to meet patrol minimums.
- “Training” costs are forecasted to be \$36 Thousand over budget due to the introduction of phased interview training for police officers, and increased training fees for additional police recruits at the police academy. (to address an increase in retirements),
- “Outside Services” costs are expected to be \$45 Thousand more than budget due to: higher transcription costs; higher uniform cleaning costs;

and additional cleaning allowances for seconded officers (fully recoverable).

- “Vehicle” costs are forecasted to be \$22 Thousand more than budget due to additional outfitting costs for the new police dog vehicles and replacement vehicle for the General Investigative Unit.
- “Administration” costs are expected to be \$10 Thousand over budget largely due to higher courier costs for sending evidence to Provincial Crown Counsel due to the implementation of the new After Hours Lower Mainland Bail Hearings.

### **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 September 30, 2018, total TransLink allocated costs were \$3,599,157 compared with the year to date budget of \$3,710,359 (see Appendix C). The positive quarterly variance of \$111,202 (3%) is largely due to lower building rent and lower software costs.

### **CONCLUSION**

As of September 30, 2018, the Transit Police is forecasting a positive budget variance of approximately \$102 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 secured additional contingency funds from TransLink to cover the revised salary costs and is able to operate within the restated budget.

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**Interim Chief Officer Barry Kross**

Author: Tom Smolic, Finance Manager

Submitting Senior Executive Member: Barry Kross, Chief Officer (Interim)

**Transit Police 2018 Actual**

**Board Report No. 2018-36/Appendix A**

Period ending	September 30, 2018				2018		
	Actual YTD	Budget YTD	Variance	%	Budget	Remaining Budget	%
<b>Labour</b>							
Salaries	18,758,182	18,617,452	(140,730)	-1%	25,488,229	6,730,047	26%
Overtime	1,225,695	773,571	(452,124)	-58%	947,537	(278,158)	-29%
Benefits	2,998,144	3,428,437	430,293	13%	4,244,553	1,246,409	29%
	<u>22,982,021</u>	<u>22,819,460</u>	<u>(162,561)</u>	<u>-1%</u>	<u>30,680,319</u>	<u>7,698,298</u>	<u>25%</u>
Recoveries - Secondments	(967,593)	(689,852)	277,741	-40%	(921,323)	46,270	-5%
Labour net of Recoveries	<u>22,014,428</u>	<u>22,129,608</u>	<u>115,180</u>	<u>1%</u>	<u>29,758,996</u>	<u>7,744,568</u>	<u>26%</u>
<b>Vehicles</b>							
Fuel	152,694	161,497	8,803	5%	215,000	62,306	29%
Vehicle Maintenance	84,185	76,149	(8,036)	-11%	102,502	18,317	18%
Vehicle Outfitting	37,839	12,000	(25,839)	-215%	15,000	(22,839)	-152%
Vehicle Leases	20,469	22,500	2,031		30,000	9,531	32%
Insurance	37,651	37,350	(301)	-1%	49,999	12,348	25%
	<u>332,838</u>	<u>309,496</u>	<u>(23,342)</u>	<u>-8%</u>	<u>412,501</u>	<u>79,663</u>	<u>19%</u>
<b>Materials</b>							
Materials - Uniforms	72,195	87,490	15,295	17%	120,201	48,006	40%
Materials - Other	62,845	81,005	18,160	22%	98,139	35,294	36%
Materials - Firearms/Ammunition	7,792	17,219	9,427		18,801	11,009	59%
Materials - Outerwear	60,020	112,029	52,009	46%	134,494	74,474	55%
	<u>202,852</u>	<u>297,743</u>	<u>94,891</u>	<u>32%</u>	<u>371,635</u>	<u>168,783</u>	<u>45%</u>
<b>Outside Services</b>							
Maintenance and Repairs	29,732	28,730	(1,002)	-3%	33,505	3,773	11%
Uniform Cleaning	71,913	56,477	(15,436)	-27%	79,253	7,340	9%
Other Services	155,723	130,181	(25,542)	-20%	202,712	46,989	23%
Minor Renovations	16,932	40,000	23,068	58%	40,000	23,068	58%
	<u>274,300</u>	<u>255,388</u>	<u>(18,912)</u>	<u>-7%</u>	<u>355,470</u>	<u>81,170</u>	<u>23%</u>
<b>Administration</b>							
Office Equipment	9,096	6,000	(3,096)	-52%	16,500	7,404	45%
Stationery and Supplies	55,387	48,414	(6,973)	-14%	64,104	8,717	14%
Memberships/Subscriptions	27,876	35,772	7,896	22%	61,611	33,735	55%
Board Remuneration	20,100	27,980	7,880	28%	41,750	21,650	52%
Other Administration	21,574	18,923	(2,651)	-14%	24,402	2,828	12%
	<u>134,033</u>	<u>137,089</u>	<u>3,056</u>	<u>2%</u>	<u>208,367</u>	<u>74,334</u>	<u>36%</u>
<b>Telecommunications</b>							
Telecommunications	-	-	-		-	-	
Radio Communication Equipment	444,719	528,241	83,522	16%	708,532	263,813	37%
	<u>444,719</u>	<u>528,241</u>	<u>83,522</u>	<u>16%</u>	<u>708,532</u>	<u>263,813</u>	<u>37%</u>
<b>Professional and Legal</b>							
Professional fees	92,452	118,657	26,205		168,799	76,347	45%
Legal Fees	81,192	183,799	102,607	56%	220,000	138,808	63%
	<u>173,644</u>	<u>302,456</u>	<u>128,812</u>	<u>43%</u>	<u>388,799</u>	<u>215,155</u>	<u>55%</u>
<b>Computers</b>							
Computer Hardware	-	-	-		-	-	
Computer Software	-	-	-		-	-	
	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	
<b>Training</b>							
Recruit Training	190,792	91,000	(99,792)	-110%	182,000	(8,792)	-5%
Training - Mandatory	189,398	224,403	35,005	16%	282,869	93,471	33%
	<u>380,190</u>	<u>315,403</u>	<u>(64,787)</u>	<u>-21%</u>	<u>464,869</u>	<u>84,679</u>	<u>18%</u>
<b>Rentals</b>							
Rentals/Leases - Parking	3,630	2,997	(633)		4,000	370	
Rentals/Leases - Range	17,440	13,243	(4,197)	-32%	18,000	560	3%
Rentals/Leases - Office Equipment	-	-	-		-	-	
	<u>21,070</u>	<u>16,240</u>	<u>(4,830)</u>	<u>-30%</u>	<u>22,000</u>	<u>930</u>	<u>4%</u>
<b>Marketing &amp; Promotions</b>	45,003	42,750	(2,253)	-5%	60,000	14,997	25%
<b>Total Before Allocated Costs</b>	<u>24,023,077</u>	<u>24,334,414</u>	<u>311,337</u>	<u>1.3%</u>	<u>32,751,169</u>	<u>8,728,092</u>	<u>27%</u>

Backfilling of secondments  
Additional OT for backfilling constables/NCOs on leave/sick  
EFB savings higher than budgeted

More officers seconded than planned

Lower fuel consumption  
Timing  
Extra costs for outfitting of K9 and GUI vehicles

Timing  
Timing  
Timing  
Fewer jacket and body armour purchases

Extra costs for attaching new flashes  
Additional transcription and contractor costs  
Timing

Courier costs higher than budgeted  
Timing  
Timing

Lower as equipment paid out of capital budget

Timing  
Lower legal costs

Timing of new recruits  
Timing

Timing

Timing

# Transit Police 2018 Forecast

Period ending September 30, 2018

# Board Report No. 2018-36/Appendix B

	2018 Budget	2018 Forecast	Variance	%	
<b>Labour</b>					
Salaries	25,488,229	25,398,229	90,000	0%	Salary savings from vacancies and officers on leave
Overtime	947,537	1,497,537	(550,000)	-58%	Additional OT for backfilling constables/NCOs on leave/sick
Benefits	4,244,553	4,094,553	150,000	4%	EFB savings higher than budgeted
	<u>30,680,319</u>	<u>30,990,319</u>	<u>(310,000)</u>	<u>-1%</u>	
Recoveries - Secondments	(921,323)	(1,271,323)	350,000	38%	Additional recoveries for officers seconded
Labour net of Recoveries	<u>29,758,996</u>	<u>29,718,996</u>	<u>40,000</u>	<u>0%</u>	
<b>Vehicles</b>					
Fuel	215,000	215,000	-	0%	
Vehicle Maintenance	102,502	102,502	-	0%	
Vehicle Outfitting	15,000	37,500	(22,500)	-150%	Extra costs for outfitting of vehicles (K9, GIU)
Vehicle Leases	30,000	30,000	-	0%	
Insurance	49,999	49,999	-	0%	
	<u>412,501</u>	<u>435,001</u>	<u>(22,500)</u>	<u>-5%</u>	
<b>Materials</b>					
Materials - Operators' Uniforms	120,201	110,201	10,000	8%	Fewer new uniforms needed than planned
Materials - Misc	98,139	93,139	5,000	5%	Lower costs for janitorial supplies
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>326,635</u>	<u>45,000</u>	<u>12%</u>	
<b>Outside Services</b>					
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	227,712	(25,000)	-12%	Additional transcription costs
Minor Renovations	40,000	40,000	-	0%	
	<u>355,470</u>	<u>400,470</u>	<u>(45,000)</u>	<u>-13%</u>	
<b>Administration</b>					
Office Equipment	16,500	16,500	-	0%	
Stationery and Supplies	64,104	74,104	(10,000)	-16%	Increase in courier costs
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>218,367</u>	<u>(10,000)</u>	<u>-5%</u>	
<b>Telecommunications</b>					
Telecommunications	-	-	-	-	
Radio Communication Equipment	708,532	618,532	90,000	13%	Lower E-Comm levy as equipment paid out of capital budget
	<u>708,532</u>	<u>618,532</u>	<u>90,000</u>	<u>13%</u>	
<b>Professional and Legal</b>					
Professional fees	168,799	168,799	-	0%	
Legal Fees	220,000	180,000	40,000	18%	Lower legal costs related to Police Act investigations
	<u>388,799</u>	<u>348,799</u>	<u>40,000</u>	<u>10%</u>	
<b>Computers</b>					
Computer Hardware	-	-	-	-	
Computer Software	-	-	-	0%	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>0%</u>	
<b>Training</b>					
Training & Education	182,000	193,000	(11,000)	-6%	Additional recruits hired
Training - Mandatory	282,869	307,869	(25,000)	-9%	Additional training costs
	<u>464,869</u>	<u>500,869</u>	<u>(36,000)</u>	<u>-8%</u>	
<b>Rentals</b>					
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>	
<b>Marketing &amp; Promotions</b>					
	60,000	60,000	-	0%	
<b>Total</b>	<u><u>32,751,169</u></u>	<u><u>32,649,669</u></u>	<u><u>101,500</u></u>	<u><u>0.3%</u></u>	

**TransLink Allocated Costs - 2018 Actual**

**Board Report No. 2018-36/Appendix C**

Period ending	September 30, 2018				2018		
	Actual YTD	Budget YTD	Variance	%	Budget	Remaining Budget	%
Salaries	548,174	555,829	7,655	1%	737,177	189,003	26%
Administration	363,114	381,672	18,558	5%	545,976	182,862	33%
Computers & Systems	1,307,446	1,338,892	31,446	2%	1,900,704	593,258	31%
Rentals	1,380,423	1,433,966	53,543	4%	1,908,446	528,023	28%
	<u>3,599,157</u>	<u>3,710,359</u>	<u>111,202</u>	<u>3%</u>	<u>5,092,303</u>	<u>1,493,146</u>	<u>29%</u>