

**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: January 22, 2019**

**Subject: Transit Police 2018 Year-End Financial Result  
[Police Board Report No. 2019-07] – 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 Transit Police year-end financial results (ending December 31, 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. The Transit Police must address the need for transit policing services amidst such growth, 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 the 2018 budget year, 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, along 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. Additionally, the Transit Police’s crime analysis capacity was improved by 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**

**Results for 2018 (Appendix A)**

Total expenditures in the year were \$32,119,744, resulting in a positive variance of \$631,425 for the year. Details are provided in Appendix A.

A summary of cost savings and over expenditures follows:

**Reconciliation of Expenditures:**

<u>Savings:</u>	<u>(\$000)</u>
Recoveries	417
Salary costs	331
Radio Communications	116
Legal	109
Materials	13
	<u>986</u>

<u>Over Expenditures:</u>	
Outside Services	140
Professional Fees	93
Vehicle costs	44
Training	32
Administration and Other	28
Facility Maintenance	18
	<u>355</u>

Net Savings

\$631

Key savings are outlined below:

- “Salary” costs were \$331 Thousand better than budgeted for the year. There was \$991 Thousand in salary savings from vacancies (retirements), an increase in the number of officers on leave, and lower employee future benefit costs which helped to offset overtime costs that were \$660 Thousand over budget. Overtime costs were higher than budget as additional police officers were needed to be called in to meet patrol minimums due to retirement vacancies and police officers on leave.
- “Recoveries” were \$417 Thousand higher than budget due to additional police officers assigned to paid (recoverable wage) secondments.
- “Radio Communications” costs were \$90 Thousand less than budget primarily due to user equipment costs no longer being included in the E-Comm levy – the equipment cost was paid out of the capital budget.
- “Legal” costs were \$109 Thousand less than budget as fewer legal costs were incurred for the indemnification of police officers.
- “Material” costs were \$13 Thousand less than budget largely due to fewer police jackets and body armour being purchased this year (a portion were purchased in 2017).

Offsetting the above savings were unfavourable variances in the following areas during the year:

- “Outside Services” costs were \$140 Thousand more than budget due to: higher transcription costs; higher uniform cleaning/repair costs; additional cleaning allowances for seconded officers (fully recoverable); centralized detention facility project with the New Westminster Police Department; additional software purchases (licence renewal for building card access, crime analyst software); and contractor costs for HR.
- “Professional Fees” were \$93 Thousand higher than budgeted, largely due to the costs accrued for the executive search fee for the new Chief Officer.
- “Training” costs were \$32 Thousand over budget due to the introduction of phased interview training for police officers, negotiator course, and

increased training fees for additional police recruits at the Police Academy (to address an increase in retirements).

- “Vehicle” costs were \$44 Thousand more than budget due to additional vehicle maintenance costs and outfitting costs for the new police dog vehicles and replacement vehicle for the General Investigative Unit.
- “Administration” costs were \$29 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) and higher recruitment costs needed to fill vacancies.
- “Facility Maintenance” costs were \$18 Thousand over budget due to additional maintenance costs incurred at headquarters and for painting of the older Expo Line sub-offices.

#### **TransLink Allocated Costs (Appendix B)**

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 costs for 2018 are \$4,849,963 (\$5,092,303 budgeted for 2018) resulting in a positive variance of 242,340 (5.0%) for the year. The positive variance of was largely due to lower building rent and lower information technology costs.

#### **CONCLUSION**

Total expenditures in 2018 were \$32,119,744, resulting in a positive variance of \$631,425 for the year.

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**Interim Chief Officer Barry Kross**

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## Transit Police 2018 Actual

Period ending	December 31, 2018			
	Actual	Budget	Variance	%
<b>Labour</b>				
Salaries	25,059,790	25,488,229	428,439	2%
Overtime	1,607,972	947,537	(660,435)	-70%
Benefits	3,681,411	4,244,553	563,142	13%
	<u>30,349,173</u>	<u>30,680,319</u>	<u>331,146</u>	<u>1%</u>
Recoveries - Secondments	(1,338,066)	(921,323)	416,743	-45%
Labour net of Recoveries	<u>29,011,107</u>	<u>29,758,996</u>	<u>747,889</u>	<u>3%</u>
<b>Vehicles</b>				
Fuel	212,728	215,000	2,272	1%
Vehicle Maintenance	125,657	102,502	(23,155)	-23%
Vehicle Outfitting	41,560	15,000	(26,560)	-177%
Vehicle Leases	27,534	30,000	2,466	8%
Insurance	49,105	49,999	894	2%
	<u>456,584</u>	<u>412,501</u>	<u>(44,083)</u>	<u>-11%</u>
<b>Materials</b>				
Materials - Uniforms	116,489	120,201	3,712	3%
Materials - Other	108,430	98,139	(10,291)	-10%
Materials - Firearms/Ammunition	39,964	18,801	(21,163)	-113%
Materials - Outerwear	93,344	134,494	41,150	31%
	<u>358,227</u>	<u>371,635</u>	<u>13,408</u>	<u>4%</u>
<b>Outside Services</b>				
Maintenance and Repairs	40,754	33,505	(7,249)	-22%
Uniform Cleaning	112,308	79,253	(33,055)	-42%
Other Services	309,553	202,712	(106,841)	-53%
Minor Renovations	50,819	40,000	(10,819)	-27%
	<u>513,434</u>	<u>355,470</u>	<u>(157,964)</u>	<u>-44%</u>
<b>Administration</b>				
Office Equipment	16,742	16,500	(242)	-1%
Stationery and Supplies	81,305	64,104	(17,201)	-27%
Memberships/Subscriptions	68,734	61,611	(7,123)	-12%
Board Remuneration	32,011	41,750	9,739	23%
Other Administration	33,977	24,402	(9,575)	-39%
	<u>232,769</u>	<u>208,367</u>	<u>(24,402)</u>	<u>-12%</u>
<b>Telecommunications</b>				
Telecommunications	-	-	-	
Radio Communication Equipment	592,144	708,532	116,388	16%
	<u>592,144</u>	<u>708,532</u>	<u>116,388</u>	<u>16%</u>
<b>Professional and Legal</b>				
Professional Fees	261,349	168,799	(92,550)	
Legal Fees	110,635	220,000	109,365	50%
	<u>371,984</u>	<u>388,799</u>	<u>16,815</u>	<u>4%</u>
<b>Training</b>				
Recruit Training	192,933	182,000	(10,933)	-6%
Training - Mandatory	304,122	282,869	(21,253)	-8%
	<u>497,055</u>	<u>464,869</u>	<u>(32,186)</u>	<u>-7%</u>
<b>Rentals</b>				
Rentals/Leases - Parking	4,356	4,000	(356)	
Rentals/Leases - Range	22,920	18,000	(4,920)	-27%
Rentals/Leases - Office Equipment	-	-	-	
	<u>27,276</u>	<u>22,000</u>	<u>(5,276)</u>	<u>-24%</u>
<b>Marketing &amp; Promotions</b>	59,069	60,000	931	2%
<b>Total Before Allocated Costs</b>	<u><u>32,119,649</u></u>	<u><u>32,751,169</u></u>	<u><u>631,520</u></u>	<u><u>2%</u></u>

## Board Report No. 2019-7/Appendix A

Vacancies and officers on Long Term Disability
Additional OT for backfilling officers on leave/sick and vacancies
Employee Future Benefit' savings higher than budgeted
More officers on paid secondment than planned
Extra costs for maintenance of vehicles
Extra costs for outfitting of K9 vehicles
New explosive kits and clip on lights for officers
Additional Conducted Energy Weapons purchased
Fewer jackets and body armour purchased
Extra costs for building maintenance
Extra costs for attaching new flashes
Extra costs for transcription, contractors, crime analyst software and NRPD jail p
Painting of sub-offices
Courier costs higher than budgeted
Fewer paid meetings
Recruitment costs to fill vacancies
Lower as equipment paid out of capital budget
Costs for executive search for new Chief Officer
Lower legal costs
More recruits hired than planned
Phased Interviewing training and negotiator course

## TransLink Allocated Costs - 2018

Board Report No. 2019-07/Appendix B

Period ending	December 31, 2018			
	Actual	Budget	Variance	%
Salaries	738,322	737,177	(1,145)	0%
Administration	541,228	545,976	4,748	1%
Computers & Systems	1,774,983	1,900,704	125,721	7%
Rentals	1,795,430	1,908,446	113,016	6%
	<u>4,849,963</u>	<u>5,092,303</u>	<u>242,340</u>	5%