

PUBLIC

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

**From: Chief Officer Dave Jones
South Coast British Columbia Transportation Authority Police Service (Transit Police)**

Date: July 16, 2019

**Subject: Transit Police 2019 Q2 Financial Operating Status Report
[Police Board Report No. 2019-36] – 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, 2019 for the Police Board’s review and consideration.

BACKGROUND

In 2016, the Transit Police launched its 2016-2020 Strategic Plan, which covers a period that is and will continue to see considerable changes to the regional transit system and levels of ridership. The Evergreen Extension has brought significantly increased ridership (which exceeded predictions) and although increases in the authorized strength of police officers occurred, it continues to place increasing demands on Transit Police resources. In 2018, policing of the transit system was improved through: the revised structure of the new General Investigation Unit; increased collaboration with jurisdictional police partners; and expanded safety/security education to transit riders, the community and TransLink family. Full implementation of the community-based Service Delivery Model (“SDM”), which launched in 2015, has progressed over the past three years. The SDM

includes: dedicated 'hub time' by police officers and high visibility patrol surges; the selection, training and deployment of six Neighbourhood Police Officers ("NPOs"); and creation of Community Service Area ("CSAs") action Blue Prints. The NPOs are a key element of the SDM and the NPOs have significantly increased Transit Police presence through public engagement activities in each of the six CSAs. As well, the NPOs work closely Transit Police patrol officers and with the jurisdictional police agencies in their CSA.

In 2019, the Transit Police will continue to focus on its Strategic Plan and its 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 2019, with the concurrence of the Police Board, TransLink Security Management Limited and TransLink, there was an approved increase to the authorized strength by six positions, and a corresponding increase to the budget. This increase was done to enable introduction of a pilot Community Safety Officer ("CSO") function within the Transit Police. The model would be for the CSO to be a peace officer (e.g., designated Special Provincial Constable) under the *Police Act*. The pilot project calls for six CSO positions in the first year implementation of the four-year pilot. The objective of the pilot project is to test the concept of tiered policing in the transit environment as means to increase public safety, uniformed officer visibility and coverage, as well as system resiliency; however, at a lower cost than additional police officers.

The Transit Police's budget for 2019 is \$34,555,711. The budget does not include TransLink "allocated costs" for centralized services, such as Sapperton premises rent and Information Technology services.

DISCUSSION

2019 Q2 Results (Appendix "A")

As of June 30, 2019, the Police Service's total expenditures were \$16,349,015 compared with the year to date budget of \$17,383,432 (see Appendix "A"). The positive year-to-date variance of \$1,034,417 (6.0%) is largely due to salary savings from vacancies and differences between the budgeted and actual timing of expenditures.

2019 Forecast Based on Q2 Results (Appendix "B")

As of June 30, 2019, the Police Service has \$18,206,767 (53%) of the total budgeted expenditures remaining. Based on the second quarter results and projected expenditures to come, the Transit Police is presently projecting a positive budget variance of \$280 Thousand 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>
Salary costs	275
Recoveries	150
Radio Communications	40
Legal Costs	<u>25</u>
	490
<u>Over Expenditures:</u>	
Materials	155
Vehicle costs	40
Building Maintenance	<u>15</u>
	210
Net Savings	<u><u>\$280</u></u>

Key savings are outlined below:

- "Salary" costs are expected to be \$275 Thousand less than budgeted, as a result of salary savings from vacant sworn positions, which is offsetting higher over-time costs (to meet patrol minimums), and lower than budgeted recovery of employee future benefit ("EFB") costs.
- "Radio Communications" costs are forecasted to be \$40 Thousand less than budget primarily due to a lower E-Comm levy and delay in implementation of 2-Factor Authentication security initiative.
- Recoveries are expected to be \$150,000 higher than budgeted due to an additional officer being on a paid secondment.
- Legal costs are forecasted to be \$25 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:

- “Material” costs are expected to be \$155 Thousand more than budgeted due to higher costs for body armour that utilizes newer technology, allowing for lighter and cooler ballistic vests for police officers and a contribution to Delta Police Department towards the shared purchase of a training simulator.
- “Vehicle” costs are forecasted to be \$40 Thousand more than budget. This is due to the decommissioning of one police dog vehicle and the cost to retrofit a replacement and additional maintenance costs.
- Building maintenance are expected to be \$15 Thousand more than budgeted due to additional electrical work required for the new public facing hub office at New Westminster station.

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 2019 are \$5,351,932.

As of June 30, 2019, total TransLink allocated costs were \$2,499,368 compared with the year to date budget of \$2,566,566 (see Appendix “C”). The positive quarterly variance of \$67,198 (3%) is largely due to lower software costs.

CONCLUSION

As of June 30, 2019, the Transit Police is forecasting a positive budget variance of approximately \$280 Thousand for year-end. This year’s budget included the prescribed 2019 wage increases arising from the new Collective Agreement reached in a binding arbitration on February 22, 2018. However, the actual police officer wage for 2019 may be higher depending on the outcome of the next Vancouver Police Collective Agreement; which impacts provisions of the Transit Police Collective Agreement.

Chief Officer Dave Jones

Author: Tom Smolic, Finance Manager

Submitting Senior Executive Member: Barry Kross, Deputy Chief Officer

Transit Police 2019 Actual

Board Report No. 2019-36/Appendix A

Period ending	June 30, 2019				2019	Remaining		
	Actual YTD	Budget YTD	Variance	%	Budget	Budget	%	
Labour								
Salaries	12,193,604	13,290,054	1,096,450	8%	26,901,437	14,707,833	55%	Salary savings from vacancies and officers on leave
Overtime	558,292	380,650	(177,642)	-47%	951,547	393,255	41%	Additional OT for backfilling vacant sworn positions
Benefits	<u>2,813,738</u>	<u>2,715,898</u>	<u>(97,840)</u>	-4%	<u>4,577,061</u>	<u>1,763,323</u>	<u>39%</u>	EFB recovery lower than budgeted
	15,565,634	16,386,602	820,968	5%	32,430,045	16,864,411	52%	
Recoveries - Secondments	<u>(668,311)</u>	<u>(467,748)</u>	<u>200,563</u>	-43%	<u>(937,024)</u>	<u>(268,713)</u>	29%	More officers seconded than planned
Labour net of Recoveries	14,897,323	15,918,854	1,021,531	6%	31,493,021	16,595,698	53%	
						-		
Vehicles								
Fuel	107,116	115,498	8,382	7%	230,000	122,884	53%	Lower fuel costs
Vehicle Maintenance	57,793	49,042	(8,751)	-18%	102,502	44,709	44%	
Vehicle Outfitting	20,427	10,000	(10,427)	-104%	25,000	4,573	18%	Additional outfitting costs
Vehicle Leases	14,130	15,000	870		30,000	15,870	53%	
Insurance	24,405	24,900	495	2%	49,999	25,594	51%	
	<u>223,871</u>	<u>214,440</u>	<u>(9,431)</u>	-4%	<u>437,501</u>	<u>213,630</u>	<u>49%</u>	
						-		
Materials								
Materials - Uniforms	62,508	54,052	(8,456)	-16%	120,201	57,693	48%	Timing
Materials - Other	142,849	64,447	(78,402)	-122%	104,017	(38,832)	-37%	Tranining simulator purchase
Materials - Firearms/Ammunition	2,691	23,336	20,645		46,581	43,890	94%	Timing
Materials - Outerwear	65,575	66,123	548	1%	124,994	59,419	48%	
	<u>273,623</u>	<u>207,958</u>	<u>(65,665)</u>	-32%	<u>395,793</u>	<u>122,170</u>	<u>31%</u>	
						-		
Outside Services								
Maintenance and Repairs	41,104	20,756	(20,348)	-98%	36,997	(4,107)	-11%	Timing
Uniform Cleaning	47,935	48,443	508	1%	97,028	49,093	51%	
Other Services	108,175	105,435	(2,740)	-3%	217,014	108,839	50%	
Minor Renovations	15,925	20,000	4,075	20%	20,000	4,075	20%	
	<u>213,139</u>	<u>194,634</u>	<u>(18,505)</u>	-10%	<u>371,039</u>	<u>157,900</u>	<u>43%</u>	
						-		
Administration								
Office Equipment	8,212	5,000	(3,212)	-64%	16,500	8,288	50%	
Stationery and Supplies	29,608	39,042	9,434	24%	76,604	46,996	61%	Timing
Memberships/Subscriptions	21,787	21,221	(566)	-3%	61,611	39,824	65%	
Board Remuneration	21,594	16,192	(5,402)	-33%	46,750	25,156	54%	
Other Administration	12,536	12,384	(152)	-42%	26,902	9,366	35%	
	<u>98,737</u>	<u>93,839</u>	<u>(4,898)</u>	-5%	<u>228,367</u>	<u>129,630</u>	<u>57%</u>	
						-		
Telecommunications								
Telecommunications	-	-	-		-	-		
Radio Communication Equipment	290,100	315,527	25,427	8%	630,495	340,395	54%	E-Comm levy lower than budgeted
	<u>290,100</u>	<u>315,527</u>	<u>25,427</u>	8%	<u>630,495</u>	<u>340,395</u>	<u>54%</u>	
						-		
Professional and Legal								
Professional fees	51,424	56,252	4,828		144,499	93,075	64%	
Legal Fees	37,591	113,000	75,409	67%	210,000	172,409	82%	Lower legal costs
	<u>89,015</u>	<u>169,252</u>	<u>80,237</u>	47%	<u>354,499</u>	<u>265,484</u>	<u>75%</u>	
						-		
Computers								
Computer Hardware	-	-	-		-	-		
Computer Software	1,492	-	(1,492)		-	(1,492)		
	<u>1,492</u>	<u>-</u>	<u>(1,492)</u>		<u>-</u>	<u>(1,492)</u>		
						-		
Training								
Recruit Training	67,156	62,500	(4,656)	-7%	209,000	141,844	68%	
Training - Mandatory	151,365	165,917	14,552	9%	347,067	195,702	56%	Timing
	<u>218,521</u>	<u>228,417</u>	<u>9,896</u>	4%	<u>556,067</u>	<u>337,546</u>	<u>61%</u>	
						-		
Rentals								
Rentals/Leases - Parking	2,888	1,998	(890)		4,000	1,112		
Rentals/Leases - Range	2,580	7,013	4,433	63%	18,000	15,420	86%	
Rentals/Leases - Office Equipment	-	-	-		-	-		
	<u>5,468</u>	<u>9,011</u>	<u>3,543</u>	39%	<u>22,000</u>	<u>16,532</u>	<u>75%</u>	
						-		
Marketing & Promotions	37,726	31,500	(6,226)	-20%	67,000	29,274	44%	Timing
						-		
Total Before Allocated Costs	<u>16,349,015</u>	<u>17,383,432</u>	<u>1,034,417</u>	6.0%	<u>34,555,782</u>	<u>18,206,767</u>	53%	

Transit Police 2019 Forecast

Period ending June 30, 2019

Board Report No. 2019-36/Appendix B

	2019 Budget	2019 Forecast	Variance	%	
Labour					
Salaries	26,901,437	25,901,437	1,000,000	4%	Salary savings from vacancies and officers on leave
Overtime	951,547	1,226,547	(275,000)	-29%	Additional OT for backfilling vacant sworn positions
Benefits	4,577,061	5,027,061	(450,000)	-10%	EFB recovery lower than budgeted
	<u>32,430,045</u>	<u>32,155,045</u>	<u>275,000</u>	<u>1%</u>	
Recoveries - Secondments	(937,024)	(1,087,024)	150,000	16%	Additional recoveries
Labour net of Recoveries	<u>31,493,021</u>	<u>31,068,021</u>	<u>425,000</u>	<u>1%</u>	
Vehicles					
Fuel	230,000	230,000	-	0%	
Vehicle Maintenance	102,502	122,502	(20,000)	-20%	Extra costs for maintenance
Vehicle Outfitting	25,000	45,000	(20,000)	-80%	Extra costs for outfitting of spare K9 vehicle
Vehicle Leases	30,000	30,000	-	0%	
Insurance	49,999	49,999	-	0%	
	<u>437,501</u>	<u>477,501</u>	<u>(40,000)</u>	<u>-9%</u>	
Materials					
Materials - Operators' Uniforms	120,201	120,201	-	0%	
Materials - Misc	104,017	179,017	(75,000)	-72%	Contribution towards a training simulator
Materials - Firearms/Ammunition	46,581	46,581	-	0%	
Materials - Outerwear	124,994	204,994	(80,000)	-64%	Higher costs for new lighter body armour
	<u>395,793</u>	<u>550,793</u>	<u>(155,000)</u>	<u>-39%</u>	
Outside Services					
Maintenance and Repairs	36,997	51,997	(15,000)	-41%	Electrical work for new sub office
Uniform Cleaning	97,028	97,028	-	0%	
Other Services	217,014	217,014	-	0%	
Minor Renovations	20,000	20,000	-	0%	
	<u>371,039</u>	<u>386,039</u>	<u>(15,000)</u>	<u>-4%</u>	
Administration					
Office Equipment	16,500	16,500	-	0%	
Stationery and Supplies	76,604	76,604	-	0%	
Memberships/Subscriptions	61,611	61,611	-	0%	
Police Board Expenses	46,750	46,750	-	0%	
Other Administration	26,902	26,902	-	0%	
	<u>228,367</u>	<u>228,367</u>	<u>-</u>	<u>0%</u>	
Telecommunications					
Telecommunications	-	-	-	-	
Radio Communication Equipment	630,495	590,495	40,000	6%	Lower costs due to delay in 2 Factor Authentication
	<u>630,495</u>	<u>590,495</u>	<u>40,000</u>	<u>6%</u>	
Professional and Legal					
Professional fees	144,499	144,499	-	0%	
Legal Fees	210,000	185,000	25,000	12%	Lower legal costs
	<u>354,499</u>	<u>329,499</u>	<u>25,000</u>	<u>7%</u>	
Computers					
Computer Hardware	-	-	-	-	
Computer Software	-	-	-	0%	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>0%</u>	
Training					
Training & Education	209,000	209,000	-	0%	
Training - Mandatory	347,067	347,067	-	0%	
	<u>556,067</u>	<u>556,067</u>	<u>-</u>	<u>0%</u>	
Rentals					
Rentals/Leases - Parking	4,000	4,000	-	0%	
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					
	67,000	67,000	-	0%	
Total	<u><u>34,555,782</u></u>	<u><u>34,275,782</u></u>	<u><u>280,000</u></u>	<u><u>0.8%</u></u>	

TransLink Allocated Costs - 2019 Actual

Board Report No. 2019-36/Appendix C

Period ending	June 30, 2019				2019 Budget	Remaining Budget	%
	YTD Actual	YTD Budget	Variance	%			
Salaries	391,527	401,405	9,878	2%	801,671	410,144	51%
Administration	265,738	214,005	(51,733)	-24%	426,748	161,010	38%
Computers & Systems	906,211	991,315	85,104	9%	1,982,974	1,076,763	54%
Rentals	935,892	959,841	23,949	2%	2,140,539	1,204,647	56%
	<u>2,499,368</u>	<u>2,566,566</u>	<u>67,198</u>	<u>3%</u>	<u>5,351,932</u>	<u>2,852,564</u>	<u>53%</u>