

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: October 12, 2019

**Subject: Transit Police 2019 Q3 Financial Operating Status Report
[Police Board Report No. 2019-50] – 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 September 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 increased levels of ridership. 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 significantly 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 continues 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 Q3 Results (Appendix “A”)

As of September 30, 2019, the Police Service’s total expenditures were \$25,031,095 compared with the year to date budget of \$26,025,818 (see Appendix “A”). The positive year-to-date variance of \$994,723 (3.8%) is largely due to salary savings from vacancies and differences between the budgeted and actual timing of expenditures.

2019 Forecast Based on Q3 Results (Appendix "B")

As of September 30, 2019, the Police Service has \$9,289,687 (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 of \$240 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	335
Recoveries	250
Legal Costs	<u>50</u>
	635
 <u>Over Expenditures:</u>	
Materials	195
Vehicle Insurance	70
Vehicle Maintenance	50
Facility Costs	45
Other Services	25
Professional fees	<u>10</u>
	395
 Net Savings	 <u><u>\$240</u></u>

Key savings are outlined below:

- "Salary" costs are expected to be \$335 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.
- Recoveries are expected to be \$250,000 higher than budgeted due to additional officers being on a paid secondment.
- Legal costs are forecasted to be \$50 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 \$195 Thousand more than budgeted due to higher costs for body armour (that utilizes newer technology that allows for lighter and cooler ballistic vests for police officers), additional uniform costs for transitioning to new pants, and a contribution to the Delta Police Department towards the shared purchase of a training simulator.
- “Vehicle Insurance” is forecasted to be \$70 Thousand higher due to a correction made by TransLink to allocate the actual costs of vehicle insurance to Transit Police.
- “Vehicle Maintenance” costs are forecasted to be \$50 Thousand more than budget due to the decommissioning of one police dog vehicle and the cost to retrofit a replacement, and additional maintenance costs.
- “Facility Costs” are expected to be \$45 Thousand more than budgeted due to additional building maintenance (electrical, HVAC building access) and minor renovation costs for the new public facing hub offices at New Westminster Station and Broadway and Commercial Station.
- “Other Services” are forecasted to be \$25 Thousand over budget as a result of the use of external contractors for transcription work and to assist Human Resources with a ‘benefits’ project.
- “Professional Fees” are expected to be \$10 Thousand more than budget due to additional costs for recruiting of 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 that 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 September 30, 2019, total TransLink allocated costs were \$3,844,413 compared with the year to date budget of \$3,954,374 (see Appendix “C”). The positive quarterly variance of \$109,961 (3%) is largely due to lower premises rent.

CONCLUSION

As of September 30, 2019, the Transit Police is forecasting a positive budget variance of approximately \$240 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

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Transit Police 2019 Actual

Board Report No. 2019-50/Appendix A

Period ending	September 30, 2019							
	Actual YTD	Budget YTD	Variance	%	2019 Budget	Remaining Budget	%	
Labour								
Salaries	18,702,885	20,049,230	1,346,345	7%	26,901,437	8,198,552	30%	Salary savings from vacancies and officers on leave
Overtime	1,050,685	728,774	(321,911)	-44%	951,547	(99,138)	-10%	Additional OT for backfilling vacant sworn positions
Benefits	4,019,484	3,771,862	(247,622)	-7%	4,577,061	557,577	12%	EFB recovery lower than budgeted
	<u>23,773,054</u>	<u>24,549,866</u>	<u>776,812</u>	<u>3%</u>	<u>32,430,045</u>	<u>8,656,991</u>	<u>27%</u>	
Recoveries - Secondments	(970,381)	(701,623)	268,758	-38%	(937,024)	33,357	-4%	More officers seconded than planned
Labour net of Recoveries	<u>22,802,673</u>	<u>23,848,243</u>	<u>1,045,570</u>	<u>4%</u>	<u>31,493,021</u>	<u>8,690,348</u>	<u>28%</u>	
Vehicles								
Fuel	162,435	172,747	10,312	6%	230,000	67,565	29%	Lower fuel costs
Vehicle Maintenance	85,418	76,149	(9,269)	-12%	102,502	17,084	17%	
Vehicle Outfitting	47,590	18,000	(29,590)	-164%	25,000	(22,590)	-90%	Additional outfitting costs
Vehicle Leases	21,195	22,500	1,305		30,000	8,805	29%	
Insurance	73,162	37,350	(35,812)	-96%	49,999	(23,163)	-46%	Correction of allocation error
	<u>389,800</u>	<u>326,746</u>	<u>(63,054)</u>	<u>-19%</u>	<u>437,501</u>	<u>47,701</u>	<u>11%</u>	
Materials								
Materials - Uniforms	98,906	87,490	(11,416)	-13%	120,201	21,295	18%	Timing
Materials - Other	177,578	86,608	(90,970)	-105%	104,017	(73,561)	-71%	Tranining simulator purchase
Materials - Firearms/Ammunition	4,023	27,499	23,476		46,581	42,558	91%	Timing
Materials - Outerwear	80,144	101,529	21,385	21%	124,994	44,850	36%	Timing
	<u>360,651</u>	<u>303,126</u>	<u>(57,525)</u>	<u>-19%</u>	<u>395,793</u>	<u>35,142</u>	<u>9%</u>	
Outside Services								
Maintenance and Repairs	61,316	31,474	(29,842)	-95%	36,997	(24,319)	-66%	Additional facility maintenance costs
Uniform Cleaning	63,339	69,527	6,188	9%	97,028	33,689	35%	Timing
Other Services	163,877	144,384	(19,493)	-14%	217,014	53,137	24%	Additional external contractor costs
Minor Renovations	32,501	20,000	(12,501)	-63%	20,000	(12,501)	-63%	Additional cost for new sub offices
	<u>321,033</u>	<u>265,385</u>	<u>(55,648)</u>	<u>-21%</u>	<u>371,039</u>	<u>50,006</u>	<u>13%</u>	
Administration								
Office Equipment	14,839	6,000	(8,839)	-147%	16,500	1,661	10%	Tming
Stationery and Supplies	51,253	59,164	7,911	13%	76,604	25,351	33%	Timing
Memberships/Subscriptions	30,559	35,772	5,213	15%	61,611	31,052	50%	
Board Remuneration	25,895	31,980	6,085	19%	46,750	20,855	45%	
Other Administration	17,298	20,923	3,625	17%	26,902	9,604	36%	
	<u>139,844</u>	<u>153,839</u>	<u>13,995</u>	<u>9%</u>	<u>228,367</u>	<u>88,523</u>	<u>39%</u>	
Telecommunications								
Telecommunications	-	-	-		-	-		
Radio Communication Equipment	453,478	470,204	16,726	4%	630,495	177,017	28%	Delay in 2 Factor Aunthentication
	<u>453,478</u>	<u>470,204</u>	<u>16,726</u>	<u>4%</u>	<u>630,495</u>	<u>177,017</u>	<u>28%</u>	
Professional and Legal								
Professional fees	102,957	86,157	(16,800)		144,499	41,542	29%	Timing
Legal Fees	66,031	173,799	107,768	62%	210,000	143,969	69%	Lower legal costs
	<u>168,988</u>	<u>259,956</u>	<u>90,968</u>	<u>35%</u>	<u>354,499</u>	<u>185,511</u>	<u>52%</u>	
Computers								
Computer Hardware	-	-	-		-	-		
Computer Software	-	-	-		-	-		
	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>		
Training								
Recruit Training	112,459	62,500	(49,959)	-80%	209,000	96,541	46%	Timing
Training - Mandatory	208,467	272,579	64,112	24%	347,067	138,600	40%	Timing
	<u>320,926</u>	<u>335,079</u>	<u>14,153</u>	<u>4%</u>	<u>556,067</u>	<u>235,141</u>	<u>42%</u>	
Rentals								
Rentals/Leases - Parking	5,378	2,997	(2,381)		4,000	(1,378)		
Rentals/Leases - Range	12,760	13,243	483	4%	18,000	5,240	29%	
Rentals/Leases - Office Equipment	-	-	-		-	-		
	<u>18,138</u>	<u>16,240</u>	<u>(1,898)</u>	<u>-12%</u>	<u>22,000</u>	<u>3,862</u>	<u>18%</u>	
Marketing & Promotions	55,659	47,000	(8,659)	-18%	67,000	11,341	17%	Timing
Total Before Allocated Costs	<u>25,031,190</u>	<u>26,025,818</u>	<u>994,628</u>	<u>3.8%</u>	<u>34,555,782</u>	<u>9,524,592</u>	<u>28%</u>	

Transit Police 2019 Forecast

Board Report No. 2019-50/Appendix B

Period ending September 30, 2019

	2019 Budget	2019 Forecast	Variance	%	
Labour					
Salaries	26,901,437	25,801,437	1,100,000	4%	Salary savings from vacancies and officers on leave
Overtime	951,547	1,326,547	(375,000)	-39%	Additional OT for backfilling vacant sworn positions
Benefits	4,577,061	4,967,061	(390,000)	-9%	EFB recovery lower than budgeted
	<u>32,430,045</u>	<u>32,095,045</u>	<u>335,000</u>	<u>1%</u>	
Recoveries - Secondments	(937,024)	(1,187,024)	250,000	27%	Additional recoveries
Labour net of Recoveries	<u>31,493,021</u>	<u>30,908,021</u>	<u>585,000</u>	<u>2%</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	55,000	(30,000)	-120%	Extra costs for outfitting of spare K9 vehicle
Vehicle Leases	30,000	30,000	-	0%	
Insurance	49,999	119,999	(70,000)	-140%	Correction made by TransLink to allocate actual insurance cost
	<u>437,501</u>	<u>557,501</u>	<u>(120,000)</u>	<u>-27%</u>	
Materials					
Materials - Operators' Uniforms	120,201	140,201	(20,000)	-17%	Additional costs of transitioning to new pants
Materials - Misc	104,017	199,017	(95,000)	-91%	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>590,793</u>	<u>(195,000)</u>	<u>-49%</u>	
Outside Services					
Maintenance and Repairs	36,997	66,997	(30,000)	-81%	Additional maintenance work for new sub offices
Uniform Cleaning	97,028	97,028	-	0%	
Other Services	217,014	242,014	(25,000)	-12%	Additional external contractor costs
Minor Renovations	20,000	35,000	(15,000)	-75%	Additional renovation work for new sub offices
	<u>371,039</u>	<u>441,039</u>	<u>(70,000)</u>	<u>-19%</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	630,495	-	0%	
	<u>630,495</u>	<u>630,495</u>	<u>-</u>	<u>0%</u>	
Professional and Legal					
Professional fees	144,499	154,499	(10,000)	-7%	Additional recruiting costs
Legal Fees	210,000	160,000	50,000	24%	Lower legal costs
	<u>354,499</u>	<u>314,499</u>	<u>40,000</u>	<u>11%</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>34,315,782</u></u>	<u><u>240,000</u></u>	<u><u>0.7%</u></u>	

TransLink Allocated Costs - 2019 Actual

Board Report No. 2019-50/Appendix C

Period ending	September 30, 2019				2019 Budget	Remaining Budget	%
	YTD Actual	YTD Budget	Variance	%			
Salaries	599,323	599,813	490	0%	801,671	202,348	25%
Administration	319,452	317,401	(2,051)	-1%	426,748	107,296	25%
Computers & Systems	1,518,673	1,486,970	(31,703)	-2%	1,982,974	464,301	23%
Rentals	1,406,965	1,550,190	143,225	9%	2,140,539	733,574	34%
	<u>3,844,413</u>	<u>3,954,374</u>	<u>109,961</u>	<u>3%</u>	<u>5,351,932</u>	<u>1,507,519</u>	<u>28%</u>