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To: South Coast British Columbia Transportation Authority Police Board

From: Chief Officer Bob Kind  
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Subject: **Q4 2007 Budget Update [No. 2008 – 10]**

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## **PURPOSE**

The SCBCTA Police Board is responsible for the governance of the SCBCTA Police Service. Regular reporting to the Board and Board 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 operating budget variance for the Police Service's fourth quarter (ending December 31, 2007), for the Board's review and consideration.

## **BACKGROUND**

Board Policy F2: Budget Processing and Monitoring requires the Chief Officer to submit quarterly financial status reports for the police service.

The SCBCTA Police Service's 2007 approved budget of \$17,206,200 provides funding to cover one time and ongoing annual costs for the new police service as it continues building organizational capacity and infrastructure. Funding has also been provided to accommodate the ramping up of sworn members required to police the Canada Line that will be commencing revenue service in the Fall of 2009.

During 2007 the Police Service (via TransLink as the legal entity) entered into its first collective bargaining process following its transition from a transit security force. As a result, police member's pay grades were restructured to mirror municipal police forces pay structures. Provision for the restructuring was not included in the 2007 Budget.

## DISCUSSION

### Results for Q4 - Fourth Quarter of 2007 (Appendix A)

Based on actual operating results to December 31, 2007, the SCBCTA Police Service is \$694,500 or 4% over budget.

<b>OVEREXPENDITURES</b>	
Salaries (incl. Benefits & Overtime)	\$1,216,500
Computers & Systems	66,000
Training & Education	39,800
Property Taxes, Insurance & Travel	27,100
<b>SUB TOTAL OVEREXPENDITURES</b>	<b>\$1,349,400</b>
<b>UNDEREXPENDITURES</b>	
Rentals	(\$201,600)
Professional & Legal Fees	(182,500)
Administration	(104,200)
Materials & Utilities	(79,700)
Recoveries	(62,700)
Marketing & Outside Services	(24,200)
<b>SUB TOTAL UNDEREXPENDITURES</b>	<b>(\$654,900)</b>
<b>NET OVEREXPENDITURE</b>	<b>\$694,500</b>

The costs of the settlement for the Designated Constables job evaluation grievance/arbitration that resulted in a one pay grade salary increase retroactive to December 31, 2005 and, the Staff Sergeants and Sergeants move from exempt to union status was not included in the Police Service's 2007 budget. This has resulted in an over expenditure of \$1.2 million for 2007 salary costs.

Other areas of over expenditure include:

- Purchase of additional hardware, software and licensing to complete the migration to a police information technology network.
- Payment of unbudgeted recruit fees as a result of the discontinuation of the provincial recruit grant (\$150,000) part way through the year. These costs were partially mitigated by delaying some training to 2008.
- Higher than anticipated budget expenditures for 713 Columbia property taxes, local travel to attend meetings and training and vehicle insurance.

Over expenditures of \$1,349,400 were offset by \$654,900 of under expenditures in the following areas:

- Lease costs for 713 Columbia were less than budgeted for 2007 due to later tenancy than originally anticipated.
- Consulting fees were not required due to the delay in the 307 Columbia renovation project.
- To help mitigate the impact of the collective agreement on the budget, only necessary purchases of uniform and equipment items were made and certain components of the recruit marketing campaign were delayed to 2008.

## **CONCLUSION**

The Police Service has carefully managed its budget throughout 2007 and was able through effective management of costs, to mitigate the significant impact of salary restructuring costs that were not provided for in the 2007 Budget.

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Chief Officer Robert Kind

SCBCTA Police Service  
 Financial Operating Status Report for the  
 Period Ending December 31, 2007  
 BUDGET TO ACTUAL

APPENDIX A

	2007 Annual Budget	2007 Actuals	\$ Variance	% Variance
Salaries (incl. Benefits & Overtime)	13,640,190	14,856,734	(1,216,544)	-8.92%
Materials & Utilities	394,510	314,847	79,663	20.19%
Fuel & Lubricants	61,500	61,568	(68)	-0.11%
Outside Services (Note 1)	872,800	866,436	6,364	0.73%
Insurance	37,800	39,472	(1,672)	-4.42%
Professional & Legal Fees	240,500	58,006	182,494	75.88%
Administration (Note 2)	1,036,200	931,983	104,217	10.06%
Computers & Systems	66,000	132,040	(66,040)	-100.06%
Training & Education	235,000	274,779	(39,779)	-16.93%
Travel	39,000	51,066	(12,066)	-30.94%
Marketing, Communication & Research	22,500	4,675	17,825	79.22%
Rentals (Note 3)	547,200	345,602	201,598	36.84%
Property Taxes	54,000	67,268	(13,268)	-24.57%
Recoveries	(41,000)	(103,733)	62,733	0.00%
<b>TOTAL OPERATING COSTS</b>	<b>17,206,200</b>	<b>17,900,743</b>	<b>(694,543)</b>	<b>-4.04%</b>

**NOTES:**

1. Includes Vehicle Maintenance, Vehicle Outfitting, Professional Standards Contract, Bldg Mtce.
2. Includes ECOMM levies & merchandising.
3. Includes vehicle, computer and office equipment leases. New to 2007 - 713 Columbia office space leasing costs.