

Classification **PUBLIC**

Meeting **November 6, 2006**

Agenda Item **Monitoring Report:  
Financial Condition and Activities 3rd  
Quarter**



Recommended Motion:

**THAT the Board find that all provisions of the *Financial Conditions and Activities* have been complied with.**

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### **Financial Conditions and Activities**

I hereby submit my monitoring report on your Executive Limitations Policy “Financial Conditions and Activities” according to the schedule set out. I certify that the information contained in this report is true.

Signed: \_\_\_\_\_  
Chief of Police

Date: \_\_\_\_\_

### **BROADEST POLICY PROVISION:**

*“With respect to ongoing financial conditions and activities, the Chief of Police will not cause or allow development of fiscal jeopardy or material deviation of actual expenditures from the Board priorities established in the Ends policies.”*

### **Interpretation of the Chief of Police:**

It is my interpretation of this policy that compliance with the seven following policy statements and the data there tendered fulfills the total requirement of this provision.

I therefore report **compliance** with this Executive Limitations Policy.

“Further, without limiting the scope of the foregoing by the enumeration, the Chief of Police will not:”

### **Policy Provision #1**

1. *“Expend more funds than have been allocated by the Regional Municipality of Durham for the Fiscal Year.”*

### **Interpretation of the Chief of Police:**

It is my interpretation of this policy that it applies to the entire budget as a whole and that any significant deviation from norms is to be addressed in the succeeding period.

Further that any significant deviation that is likely to cause non-compliance with provision 1 be reported to the Board at its next meeting.

### **Data Support:**

Upon review of the budget summary produced by the Director of Business Services, I report the following:

At this point, based on current trends and staffing levels, our forecast for the year-end is that spending will be within the \$117.366 million budget.

The Finance and Administration Committee of Regional Council received the August 31 2006 Consolidated Budget Status Report from the Commissioner of Finance on September 27, 2006

“The Police Service reports that they are proceeding with the action plans outlined in their budget for 2006. Negotiations with the Police Association for the uniformed and civilian members are ongoing at this time. The Service has increased staffing and commenced additional enforcement and special projects in Intelligence-led policing initiatives. The hiring provided for in the 2006 budget is proceeding and they anticipate reaching complement with the new hires included in the budget.

At this time it is anticipated that any surplus in full time salaries and benefits will likely be offset by increased overtime costs for various initiatives and, if surplus is available, for the increased financing of the CAD/RMS system and GPS costs as approved in report 2006-F-46. Based on the operations and plans to date the Service is trending towards a break-even budget position at year-end.”

Therefore I report **compliance** with this provision.

### **Policy Provision #2**

2. *“Fail to authorize the payment of payroll and other financial obligations in a timely manner.”*

**Interpretation of the Chief of Police:**

It is my interpretation of this policy that the Durham Regional Police Service will process payments through the Region’s systems and that payments will be made in such a manner as to ensure that members receive their payroll, and that suppliers receive payment in a timely manner.

**Data Support:**

The Financial Services Manager reports that we have had no significant complaints with respect to payment of payroll or other payments during the reporting period.

I therefore report **compliance** with this provision.

**Policy Provision #3**

3. *“Negotiate, commit, approve or sign any collective agreements or addendums without explicit Board authorization. (This does not preclude the Chief or designate from participating in bargaining sessions in an advisory capacity as per section 120(4) of the Police Services Act.”*

**Interpretation of the Chief of Police:**

It is my interpretation of this policy that the Chief of Police and designates have no authority whatsoever in this area without the explicit authorization and that the Chief or designate should request said authorization in writing.

**Data Support:**

No such activity has taken place in the reporting period at all, and no authorizations have been received.

I therefore report **compliance** with this policy.

**Policy Provision #4**

4. *“Negotiate, commit, approve or sign any Board-to-Board agreements or addendums without explicit Board authorization.”*

**Interpretation of the Chief of Police:**

It is my interpretation of this policy that the Chief of Police has no authority whatsoever in this area without the explicit authorization and that the Chief should request said authorization in writing.

**Data Support:**

No such activity has taken place in the reporting period at all, and no authorizations have been received.

I therefore report **compliance** with this policy.

**Policy Provision #5**

5. *“Approve or sign any agreements with other police services, service providers, or service recipients, which exceed annual transfers of \$1,000,000, without explicit Board authorization.”*

**Interpretation of the Chief of Police:**

It is my interpretation of this policy that the Chief of Police has no authority regarding annual transfers in excess of \$1,000,000 in this area without the explicit authorization and that the Chief should request said authorization in writing.

**Data Support:**

No such activity has taken place in the reporting period at all, and no authorizations have been received.

I therefore report **compliance** with this policy.

**Policy Provision #6**

6. *“Acquire, encumber or dispose of real property. (Property as defined in the Police Services Act section 132 exempted.)”*

**Interpretation of the Chief of Police:**

It is my interpretation of the policy that I am not authorized to deal with the purchase, sale or encumbrance of real property, meaning real estate without express authorization from the Board. This however does not prevent my ability to lease premises as required pursuant to the budget and as coordinated with the Real Estate Division of the Regional Municipality of Durham. (The practice of the Regional Municipality of Durham is to submit all such real estate leases to Council for approval after approval by the Chief.)

**Data Support:**

There were no such acquisitions, encumbrances or dispositions undertaken during the reporting period.

Notice of Lease Expiry and Intention to Renew:

The lease for 19 Courtice Court, Clarington, which houses the property, Fleet and Quartermaster units expires December 31 2006. Region Facilities is currently in the process of negotiating a 4 year renewal( which can be cancelled after 3 years) on our behalf. Region Facilities intends to take the Offer of Lease for approval to the Region Works Committee and Regional Council in January 2007. The landlord has agreed to overhold the lease at the current rent until the renewal is approved.

The 2006 annual net lease payments are \$110,000. The annual net lease payments in Offer of Lease for the renewal period are as follows:

2007: \$118,651.50( \$4.95 p.s.f. on 23,970 s.f)  
2008: \$124,883.70( \$5.21 p.s.f. on 23,970 s.f.)  
2009 and 2010: \$131,355.60 ( \$5.48 p.s.f. on 23,970 s.f.)

The Offer of Lease also includes a provision for the landlord and tenant to equally share the cost of replacing paving stones in the parking lot estimated at \$76,270. DRP share would be \$38,135.

These expected costs have been included in the 2007 budget which the Board reviewed on October 10 2006.

I therefore report **compliance** with this provision.

#### **Policy Provision #7**

7. *“Fail to comply with the spirit of the financial by-laws and policies of the Regional Municipality of Durham.”*

#### **Interpretation of the Chief of Police:**

It is my interpretation of this policy that all purchases of goods and services shall be in compliance with the Durham Regional Police Service Financial Procedures Manual, which is in substantial compliance with Regional Processes, subject to limits being established by the Chief of Police in consultation with the Director of Business Services. It is my further interpretation that the practice of expending funds from operating accounts prior to final budget approval is acceptable in order to meet payroll and account payment obligations as per #2 above. Further that Capital Budget items are subject to final budget approval unless specifically dealt with by the Board for pre-approval.

#### **Data Support:**

The Financial Procedures Manual was published in the 1st quarter of 2005 and the procedures and controls took effect in the new budget year on January 1, 2005. The Regional Finance department has been provided with a copy of this document. It is in substantial compliance with Regional Processes and therefore complies with the spirit of Regional Processes.

Financial transactions have been in compliance with the Financial Procedures Manual during the current reporting period.

I therefore report **compliance** with this provision.

**Based on the above proof provided, I report overall compliance with the policy.**

**Attachments:** None