

Classification **PUBLIC**

Meeting **May 12, 2008**

Agenda Item **Monitoring Report:
Financial Condition and Activities 1st
Quarter 2008**



Recommended Motion:

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

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 \$131.561 million budget.

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 Director of Business Services 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:

There have been no negotiations, commitments, approvals or signatures of any collective agreements or addendums without explicit Board authorization.

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 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.

The following changes in lease arrangements will be taking place:

1) Durham Region on behalf of Durham Regional Police currently leases premises located at 34 Brock Street West in the Town of Uxbridge. The current lease expires June 30, 2008.

The Chief of Police shall recommend to Works Committee and Regional Council that:

- a) The Region enter into a Lease Agreement with the Corporation of the Township of Uxbridge for the premises being part of the main floor of the building located at 34 Brock Street, in the Town of Uxbridge containing approximately 806 square feet of office space on the following terms and conditions:
 - i) The term to be for a period of five (5) years commencing July 1, 2008 and ending June 30, 2013;

- ii) The annual gross rental rate for the first three (3) years of the term of the lease, to be \$9,672 or \$12.00 per sq.ft. per annum and for years four (4) and five (5) \$10,155.60 or \$12.60 per sq.ft. per annum, before applicable taxes.
 - iii) The Region to be responsible for its proportionate share being 46.48% for the cost of janitorial for the leased premises and the cost of snow and ice removal of the rear parking lot and sidewalk. The Landlord has estimated the Region's proportionate share of these costs at \$6,000 per annum for which the Durham Police will budget. The Landlord shall be responsible for all other operating costs associated with the premises, which includes the cost of all utilities and any applicable taxes.
 - iv) The Landlord and the Tenant shall both have the right to terminate the lease upon providing to the other six (6) months prior written notice.
- b) The Regional Chair and Clerk be authorized to execute all documents associated with the Lease Agreement.

The current annual cost of the 1,734 sq. ft. Uxbridge location is approximately \$36,434 per annum and this will be reduced to approximately \$15,672 per annum. In 2008, due to the fact that DRPS will only start paying in July, the cost will be \$7,836 for savings of \$28,598.

2) TM Mobile Inc. (Telus) leased a portion of land at 19 Division – Ajax / Pickering C.P.O. for a term of 20 years(5 year initial term with 3 additional 5 year terms) effective July 1, 2002 and ending June 30, 2022 for a 40 metre communications tower and ancillary equipment.

The Chief of Police shall recommend to Works Committee and Regional Council that:

- c) The Second Amendment to Site Lease agreement with TM Mobile Inc. for an expanded area of approximately 6.1 m by 4.2 m (20 ft. by 14 ft.) being a portion of the lands associated with 19 Division of the Durham Regional Police Service building located at 1710 Kingston Road in the City of Pickering, be approved on the following terms and conditions:
 - i) Effective date to be July 1, 2008. Lease expires June 30, 2022.
 - ii) The additional rent for the expanded area to be \$5,684.80 per annum plus applicable taxes.
 - iii) The rental rate for the entire site shall be increased at the end of each five (5) year term by an amount equal to the compounded increase in the Canadian Consumer Price Index, all items, plus an additional five (5) percent. These dates are July 1, 2012, and July 1, 2017.
 - iv) TM Mobile Inc. shall pay a one time administration fee of \$2,500 plus applicable taxes.
- b) The Regional Chair and Clerk be authorized to execute all documents associated with the Second Amendment to Site Lease.

The 2008 DRPS budget includes revenue of \$9,200 from this lease and this will rise to \$12,157.60 in 2008 (\$776.26 per month for the first 6 months of 2008 and \$1,250 per month for the second six months) for unbudgeted revenue of \$2,957.60 in 2008. In 2009 revenue will be \$15,000 from this lease.

3.) Beaverton Community Policing office-

The Service is currently occupying space in the old Hydro building in downtown Beaverton, subletting space to Probation Services. Our lease expired October 31, 2007, and we have continued to pay rent on a monthly basis. Brock Township has been approached by a local Church who would like to purchase the building to make room for a new Church. The Church has indicated their willingness to include our Community office needs in their new facility. I have been asked by the Chair to review this situation.

Subject to Board approval, I am willing to open the dialogue between the Church and the Township by indicating that the Police Service would not want to stand in the way, and would continue to be willing tenants in either facility provided our needs are met at a reasonable leasing cost should both parties have the desire to make the sale.

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