

Classification **PUBLIC**

Meeting **February 13, 2012**

Agenda Item **Monitoring Report:
Financial Condition and Activities 4th
Quarter 2011**



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 spending summary produced by the Director of Business Services, I report the following:

Appendix 1 contains a schedule explaining variances from budget in the major expense and revenue categories.

Savings from vacancies and unbudgeted revenues have allowed for one-time contributions to fund capital projects as well as needed operating capital items within the service’s approved budget allocation.

Based on the preliminary financial reports for December 31, 2011 our forecast for the year-end is that spending will be within the \$153.692 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. *“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 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. *“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.

On December 31, 2011 the lease with Durham College for the premises in which the Police Learning Centre is located expired. We intend to continue month to month at \$25,000 per month while lease negotiations are active.

We intend to renew for 5 years.

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

Policy Provision #6

6. Fail to maintain an inventory of federal and provincial grants and contribution programs relevant to public safety, and maximize opportunities to seek funding from such programs.

Interpretation of the Chief of Police:

It is my interpretation of this policy that the service shall maintain a list of such programs and shall periodically evaluate funding opportunities and actively seek them out. Major funding sources shall be disclosed in the Annual Business Plan Budget which is approved by the Board.

Data Support:

The Director of Business Services maintains a list of such programs; coordinates with the management of the service to make grant applications and all major funding sources are disclosed in the Annual Business Plan Budget approved by the Board.

During the year to date the police service was successful in raising funds from the following grants. These are grants have to be applied for in response to a specific call for applications and apply to a specific project and time period. They do not recur automatically in following years:

1) Civil Remedies from Illicit Activities, Ministry of the Attorney General of Ontario:

Amount: \$115,753

Term: All funds must be fully spent by March 31, 2012

Purpose: To provide equipment and training to enhance investigations of persons involved in criminal organizations and violent crime.

Unit: Intelligence

2) Proceeds of Crime Front-Line Policing Grant Program, Ministry of the Attorney General of Ontario:

Amount: \$151,860

Term: All funds must be fully spent by March 31, 2012

Purpose: To provide funding for a Child Victim Forensic Analyst, training and equipment to increase the capacity to investigate crimes of sexual exploitation against children.

Unit: Electronic Crimes Unit (part of the Major Crimes area)

Update on the Police Officer Recruitment Fund (PORF)

This 5 year funding arrangement from the Federal Government paid through the Province expires in the first quarter of 2013.

The federal government has indicated in writing that it does not intend to renew the funding.

This funding provides \$490,000 in revenue per annum based on 7 officers at \$70,000 each.

Therefore in 2013 the funding will be only \$122,500 which will cause a year over year reduction from 2012 of \$367,500.

Update on a New Funding Source: The Court Security Prisoner Transportation Funding

The funding which has been committed by the province has been confirmed as follows:

2012: \$0.7 million

2013: \$1.416 million

2014: \$2.125 million

The agreement covers only 2012, 2013, and 2014. Prior to the expiry of the agreement, the province has undertaken to review the funding mechanism with affected stakeholders to review current funding needs.

The Province also reiterated its commitment to phasing in the program equally over seven years which for Durham would mean that annual increases in funding at the rate of \$0.7 million per annum would reach a maximum of approximately \$5 million by 2018. For comparison, the 2012 budgeted total costs for police Court Security are \$5.071 million. This new funding source may offset the impact of increasing debt service costs in the police budget in future years.

Update on Funding from Great Blue Heron Charity Casino Ontario Lottery and Gaming Commission

This funding arrangement has been in place since 2000. The funding formula is intended to fully fund one patrol officer per platoon (5 officers in total to cover shifts) and a vehicle in the North Division. The first 5 year term provided funding of \$436,000 per annum and the second 5 year term provided \$579,617 per annum.

The second 5 year term expired April 2010 and since then we have continued to invoice at that rate and OLG has continued to pay.

We plan to continue formal efforts to renew the funding in 2012 which have been ongoing since fall of 2009.

Policy Provision #7

7. Fail to ensure that resources shared with another police service are reciprocated or otherwise compensated.

Interpretation of the Chief of Police:

It is my interpretation of this policy that the service shall formally document major shared service arrangements, track time and resources rendered to and received from other police services and seek reimbursement in those cases where the services were not reciprocated if material in amount.

Data in Support:

The service, through the Superintendent of Patrol Operations, tracks services rendered to and received from other services pursuant to long term formal Shared Services Agreements. There have been no such billings so far in 2011.

In June 2011 Deputy Chief Scott Burns reviewed the shared services transactions between DRPS and York Regional Police Services which were exchanged in 2009 and 2010 with Deputy Chief Bruce

Herridge of York Regional Police Service and it was agreed that the services exchanged were balanced and that no funds owed by either party.

Policy Provision #9

8. *“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.

Two Attachments: Appendix 1 and the Letter from the Honourable Vic Toews on PORF Funding

Appendix I

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Expenditures	Budget	Expense to date	Percent to date	Surplus/ (Deficit)	%	<u>Explanations Under/(Over)</u>
PAYROLL EXPENSES	\$138,355	\$137,148	99	\$1,207	0.9%	Main components are: vacancies \$600K; Stat Pay \$177K; retiree costs \$474K
PERSONNEL RELATED	\$2,223	\$1,981	89	\$242	10.9%	Main components are: savings on Education & Training \$153; Uniforms \$70
COMMUNICATION	\$2,497	\$2,300	92	\$198	7.9%	Main components are: Radio \$83K & Telephone \$57K & Printing \$32K
MATERIALS & SERVICES	\$4,432	\$4,412	100	\$19	0.4%	Main components are: savings in Utilities; Ammunition; Office materials; offset by overspend in Fuel
PROFESSIONAL SERV	\$879	\$1,628	185	(\$749)	-85.3%	Main components are: significant Legal (\$638K) and Consulting ISAP project (\$68K)
COMPUTER MTCE & OPER	\$1,202	\$1,224	102	(\$22)	-1.9%	
MISC SERVICES	\$2,078	\$2,078	100	\$1	0.0%	
FINANCIAL SERVICES	\$1,955	\$3,380	173	(\$1,425)	-72.9%	Main components are: project funding for NextGen (\$105K) helicopter reserve unused (\$280K); project funding Ops Training Centre (\$1,000K)
MTCE & REPAIRS	\$2,735	\$2,608	95	\$127	4.7%	Main component is: savings in vehicle repairs \$121K
RENTALS	\$1,889	\$1,614	85	\$275	14.6%	Main components are: savings on Vehicle and Equipment rentals \$106K; annualize Durham College lease \$75K; range \$40K; parking \$20K

CAPITAL	\$2,735	\$3,788	138	(\$1,053)	-38.5%	Main components are: 6 marked patrol vehicles (\$321K); 2012 budget cut items (\$216K); forensic data storage (\$190K); boat (\$146K); e-crime servers (\$116K); vehicle modems/antennae (\$84K); rifles (\$59K); I.T. workstations (\$24K)
TOTAL	\$160,980	\$162,160	101	(\$1,180)	-0.7%	

Revenues

REVENUE & RECOVERY	(\$7,288)	(\$8,689)	119	\$1,401	19.2%	Main components are: DRAVIS \$471; Prov. CRIA & Proceeds of Crime Grants \$229; training fees to other Services \$143; pay duties \$109; CIR's \$126; auction proceeds \$116
NET EXPENDITURES	\$153,692	\$153,471	100	\$221	0.1%	

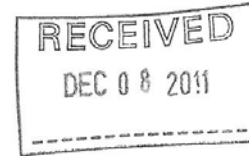
Minister of Public Safety



Ministre de la Sécurité publique

Ottawa, Canada K1A 0P8

NOV 29 2011



Chief Robert Herman
President
Ontario Association of Chiefs of Police
605 - 40 College Street
Toronto, Ontario M5G 2J3

Dear Chief Herman:

Thank you for your correspondence which was forwarded to me by the Office of the Prime Minister of Canada, concerning the sustainability of the Police Officers Recruitment Fund. I apologize for the delay in responding.

The Government of Canada remains committed to strengthening law enforcement, starting with resources to recruit more officers to police our streets. As you are aware, Budget 2008 set aside \$400 million to assist provinces and territories in recruiting 2,500 new front-line police officers to make communities safer. On March 27, 2008, Prime Minister Stephen Harper and Ontario Premier Dalton McGuinty announced Ontario's share of the Fund, which totalled \$156 million over five years.

The federal government concluded its active role in the Police Officers Recruitment Fund on June 22, 2008, through the establishment of trust fund accounts for each jurisdiction. Provinces and Territories are now responsible for allocating their portions of the funding to meet their public safety priorities.

While I have taken note of your concerns regarding the sustainability of funding, I would like to note that this first-ever Police Officers Recruitment Fund marks an important step forward in helping to make communities safer. There are no plans to extend the program beyond the five years approved. As you know, policing is a provincial responsibility, the objective of the fund was to provide one-time support and complement the costs of recent provincial police recruitment initiatives.

Thank you for taking the time to write.

Vic Toews, P.C., Q.C., M.P.

Canada