

Classification **PUBLIC**

Meeting **May 10, 2010**

Agenda Item **Monitoring Report:  
Strategic and Financial Planning – 1st Semi-  
Annual Report 2010**



**Recommended Motion:**

THAT the Board find that all provisions of the Strategic and Financial Planning have been complied with.

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**Strategic and Financial Planning**

I hereby submit my monitoring report on your Executive Limitations, “Strategic and Financial Planning” 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:**

*The Chief of Police shall not fail to produce an annual operational plan, derived from a multi-year plan that identifies strategies and actions for the accomplishment of the Board’s stated Ends policies.*

*Financial planning for any fiscal year, or the remaining part of the year, will not deviate materially from Board’s Ends policies and business plan, risk fiscal jeopardy, or fail to be derived from a multi-year financial plan.*

**Interpretation of the Chief of Police:**

The Board’s Ends policies drive the 3 year Business Plan (which satisfies the requirements of the Police Services Act) and the Operational Plan, which in turn drive the annual budget and the 5 year forecast required by the Region. Furthermore, business plans and annual budgets are subject to realistic revenue and cost projections in both the near and long term.

The 3 year Business Plan provides the goals and direction for the strategic operational plan.

The 2008 – 2010 Strategic Business Plan is nearing completion and the 2011-2013 Business Plan has been reviewed by the Board and approved in principle. The Operational Plan which flows from the Business Plan is now being prepared and will be used for 2011 Annual Business Plan Budget.

Annual financial planning is done with the input and participation of all operational levels, in order to meet Business Plan objectives, Operational Plan objectives and Board Ends, in accordance with specific Board policy.

**Data in Support:**

The supporting data is comprised of the 3 year Business Plan, Operational Plan, the 5 Year Operating Forecast, the 10 year Capital Forecast and the Annual Business Plan Budget.

The 3 Year 2011-2013 Draft Business Plan has been presented to the Board. The Operational Plan is underway currently and will be used in the annual budget process.

It is expected that the Region will require the 5 Year Forecast by August 1 2010 and the final detailed Annual Business Plan Budgets by October 1 2010. The Region normally issues a budget guideline in early October.

As 2010 is an election year and the new Regional Council will meet for the first time in December 2010, Council will not be able to issue a budget guideline in October as they did in 2009.

It is expected that they will issue the guideline in January 2011 and approve budgets in February 2011.

Departments will, however, be expected to prepare budgets for submission to Regional Finance in October as in past years, for consideration and review in preparation for the Council to consider a budget guideline. At this point we plan to maintain our usual budget schedule and present the 2011 Business Plan Budget to the Board in November 2010.

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

*Further, without limiting the generality of the foregoing by the enumeration, the Chief of police will not allow budgeting that:*

**Policy Provision #1**

*Establishes conditions and activities that will be unnecessarily difficult to maintain.*

**Interpretation of the Chief of Police:**

The policy prohibits me from undertaking or approving operating or financial activities, which would place the integrity of the service or Police Services Board in jeopardy. I will ensure any new operational or financial activities begun are within the financial limitations as set out within the

approved budget for the upcoming year and are in furtherance of Board Ends and Limitations policies.

**Data Support:**

Current conditions and activities, which are required to maintain existing Board End compliance and service levels, result in an approximate ongoing annual increase in net expenditures of 5.5 %. (This figure represents an estimate of expected economic increases and estimated inflationary cost increases in non-salary expenditures, but does not include any provision for meeting increased demands as a result of population growth which is estimated at 2 %.)

I have not undertaken or approved any activities which would result in a higher level of ongoing cost increases than that described above.

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

**Policy Provision #2**

*Omits credible projection of expenses, separation of capital and operational items, and disclosure of planning assumptions.*

**Interpretation of the Chief of Police:**

I must ensure that the Service diligently plans and clearly reports on expected future revenues and expenses in a format which meets the requirements of the Board and the Region of Durham.

**Data Support:**

The 2010 Annual Business Plan Budget submitted to the Board meets these requirements.

However, subsequent to the preparation and Board approval of the 2010 Annual Business Plan Budget a proposal was made to the Durham Regional Police Association regarding the civilian joint job evaluation process, the cost of which had not been estimated nor provided for in the 2010 Annual Business Plan Budget.

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

**Policy Provision # 3**

*Provides less for Board prerogatives during the year than is set forth in the Cost of Governance policy.*

**Interpretation of the Chief of Police:**

The DRPS will ensure that funds identified in the Board's annual governance budget are provided.

**Data Support:**

The 2010 Annual Business Plan Budget includes the Board's governance budget of \$478 thousand dollars.

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

**Policy Provision # 4**

*Provides for projection of revenues that exceed the Board's revenue projection.*

**Interpretation of the Chief of Police:**

The DRPS budget will be based upon realistic projections of revenue from Municipal, Provincial and Federal funding sources and user fees, as provided for by Board approved by-laws.

**Data Support:**

The Board approved 2010 Annual Business Plan Budget totals \$145.892 million which was in compliance with the Region of Durham guideline.

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

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