

INTERNAL MONITORING REPORT

ENDS **Strategic and Financial Planning**

Period: **2005 Strategic and Financial Planning Cycle**

November 2, 2004

I hereby submit my monitoring report on your Executive Limitations Policy “Strategic and Financial Planning” according to the schedule set out. This matter was on the September schedule as well. I certify that the information contained in this report is true.

BROADEST POLICY PROVISION #1:

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

Interpretation of the Chief of Police

It is my interpretation of this policy that the “multi-year plan” is in fact the business plan as compiled by the Business Plan Steering Committee and that the annual plan are those items contained in the Business Plan to be completed for a given calendar year. It is my further interpretation that otherwise, the maintenance and incremental improvement of previously approved operations to meet Ends satisfies this policy provision.

Data in Support:

Forwarded under separate cover as a consent agenda item is the 2005-2007 Business Plan as approved in September and now published for distribution. We are committed to completing in 2005 those items so identified in the plan and which are listed in brief form.

During 2005, the Business Plan calls for us to undertake, within the four goals of Community, Administration, Response and Employee Support, sixteen objectives with eighty-two action plans. You will note in the plan that some of these items have completion dates within the calendar year while others require either an annual review or ongoing activity. The achievement of these items will significantly improve our organizational performance in the service of the community and in the way we

communicate and deal with our members. This is a very ambitious work plan and will require concerted effort and professionalism of our members to complete.

You will note that our standing annual priorities of Traffic Safety, Gang Activity and Intelligence Led Policing are integrated into the overall plan. Therefore, there should be no need to identify those separately as in previous years.

Further, from my interpretation as previously submitted, those items identified for any calendar year within the business plan are in fact the priorities and objectives as required by Section 31 of the Police Services Act, and are my operational plan as required by your policy as stated herein.

I therefore, report compliance with this Executive Limitations Policy.

BROADEST POLICY PROVISION #2

“Financial planning for any fiscal year, or the remaining part of a 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

It is my interpretation of this policy that the multi-year plan is the five-year forecast as submitted annually to the Commissioner of Finance.

Data in Support:

The five-year forecast as submitted in September, is attached and calls for a budget increase for 2005 of 7.63% plus or minus .5% to a total of \$114,086,400.

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

Policy Provision #1:

1. *“Risks incurring those situations or conditions described in the Board policy “financial Conditions and Activities.”*

Interpretation of the Chief of Police

It is my interpretation of this policy that it applies to the entire budget as a whole for the current year and that any significant deviation in actual spending from the budget is to be addressed in monitoring reports submitted pursuant to that policy. Such a report is on the Board meeting agenda.

Data:

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See the Monitoring Report on “Financial Conditions and Activities” as submitted for the November 8th, 2004 Board Meeting.

Therefore, I report compliance with this provision.

Policy Provision #2

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

Interpretation of the Chief of Police

It is my interpretation of this policy that the Durham Regional Police Service will submit financial plans for the next budget year in accordance with this provision and to meet the requirements of the Commissioner of Finance.

Data:

The budget format in use by the Region does provide for the separation of items as set out and will be completed in that manner. With respect to planning assumptions, the critical ones are as follows:

- A) The budget shall contain such estimates as are necessary to meet expenses in all categories including salary and benefits and any other contractual items.
- B) The budget shall include such funds as are necessary to increase the staff of the service to meet the growth in population, calls for service and complexity of the work, and that for 2005 the sworn increase be 20 additional officers. The number of Civilians being requested is 10.
- C) The operating budget shall include estimates for debenture costs associated to Capital Projects.
- D) The budget shall contain the actual amounts as directed by the Commissioner of Finance for those services provided directly by the Region, such as insurance and benefits.

I therefore, report compliance with this provision.

Policy Provision #3

3. *“Provides less for Board prerogatives during the year than as set forth in the Cost of Governance policy.”*

Interpretation of the Chief of Police

It is my interpretation of the policy that I am to include in the budget the estimate as submitted by the Board for its operations.

Data:

The budget presented this date does contain such estimate.

I therefore, report compliance with this provision.

Policy Provision #4

4. *“Provides for projection of revenues that exceed the Board’s revenue projection.”*

Interpretation of the Chief of Police

It is my interpretation of this policy that the projection of revenue means the budget as a whole and not just the line items named revenue. Further, that in the absence of any other projection received from the Board, the five-year forecast is the Board’s revenue projection. It is my further interpretation that where achievement of ends policies is not possible with the projection, the Board expects to discuss the matter and make appropriate decisions.

Data:

Our budget as presented this date is at \$114,987,823. and thus exceeds the projection as contained in the five year forecast. This situation is attributable to several factors that I will highlight here and then be discussed in detail during the Board’s budget deliberations.

We have a proposal to add 6 additional traffic officers to our base budget. The budget contains for that program enhancement costs of \$496,000. The officers over a full year will write about \$2,000,000 worth of tickets. This revenue is shared between Regional Legal and the eight municipalities, after expenses. In our view from a traffic safety view and from and overall budget perspective, this initiative makes sense.

The move to new Regional Headquarters causes some one time costs and for us a double payment situation. We continue to pay the rent and other costs to a total of \$626,305 to operate at Champlain until March 2006 and therefore that is in 2005 at full cost. Additionally we have been instructed by the Region to allow for occupancy costs at the new facility commencing in July 2005. We have this in currently at \$360,000. The number is very soft and seems to be high. I am therefore suggesting we take it down to \$100,000 pending a final indication for Works or Finance.

Secondly we require a new switchboard and related items for a further \$217,000 one-time cost that we consider to be exempt from the guideline.

Additionally, our base budget (2004) has been reduced by the value of the GST \$529,000 as directed by Finance. That base-funding Region wide is now held by Finance to be assigned as directed by council. Therefore this base reduction in our view could just as easily have been left as a department-by-department calculation.

Lastly, grid steps we are contractually required to make total \$924,109.00.

Clearly some of these items are exceptional by nature and arguably need to be considered outside the guideline in a year when other cost changes are so high.

I therefore report non-compliance with this provision.

Kevin McAlpine
Chief of Police