Classification **PUBLIC**

Meeting **December 10, 2018**

Agenda Item **Monitoring Report: Strategic and Financial Planning – 2nd Semi-Annual Report 2018**

Recommended Motion:

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

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: _____ Date: DECEMBER 2, 2018

Chief of Police

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) which in turn drives the annual budget and the 10 year capital 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 2017 – 2019 Business Plan has been approved by the Board and published. The Business Plan is reported upon semi-annually under the Board's Business Plan update policy.

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

The process of preparing the 2020-2023 Strategic Business Plan is underway.

Data in Support:

The supporting data is comprised of the 3 year Business Plan, 10 year capital forecast and the Annual Business Plan Budget.

The 3 Year 2017-2019 Business Plan has been published.

The Region received the 2019 operating and capital forecasts in July 2018and the detailed draft 2019 annual operating budget in September 2018.

The Regional Budget Guideline for 2019 is expected to be provided by the Region finance staff by November 2, 2018.

The Finance and Administration Committee will review and approve budgets on February 12 and 13, 2019 and Regional Council will review and approve budgets on February 27, 2019.

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 3 to 4 %. (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 1-2 %, or additional debt service and operating costs for capital projects.)

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 2019 Annual Business Plan Budget which includes the 10 Year Facilities Capital Forecast document submitted to the Board will meet these requirements.

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 2019 Annual Business Plan Budget includes the Board's governance budget of $586 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 is in receipt of the 2019 Annual Business Plan Budget, which totals $209.75 million.

Therefore, I report compliance with this provision.

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