

Classification **PUBLIC**

Meeting **May 19, 2020**

Agenda Item **Monitoring Report:
Strategic and Financial Planning – 1st Semi-
Annual Report 2020**



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: _____

Chief of Police

Date: 11 MAY 20

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 multi-year Strategic 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 2020 Strategic Plan has been approved by the Board and published. The Strategic Plan is reported upon semi-annually under the Board's Strategic Plan update policy in March and September.

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

Data in Support:

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

The 2020 multi-year Strategic Plan has been published.

The Region will receive the 2021 operating and capital forecasts in July 2020, detailed draft 2021 annual operating budget in September 2020. It is expected that the Regional Budget Guideline for 2021 will be presented to the Finance and Administration Committee and Regional Council in fall of 2020. Regional Council will approve the budget in February 2021.

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 2 % or additional debt service and operating costs for capital projects.)

Recent wage settlements in the policing sector have been higher than the average in the past 8-year period and could have a material effect on DRPS costs if our settlements are similar.

The impact of the COVID-19 Pandemic on expenses and revenues may be material and as detailed budget planning proceeds the service will keep the Board informed so that they may be taken into account in assessing the 2021 budget needs.

Another impact on costs in 2021 will come from the rising number of member retirements and the financial entitlements they receive upon and after retirement. This issue is under discussion with Region Finance with a view to dealing with the year to year volatility of these expenses.

New programs under consideration for 2021 have been limited to certain high priority areas as directed by Command and which will be proposed to the Board for consideration and support.

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 2020 Annual Business Plan Budget which included the 10 Year Facilities Capital Forecast document submitted to the Board meets 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 2020 Annual Business Plan Budget includes the Board's governance budget of \$600 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 2020 Annual Business Plan Budget, which totals \$213.225 million and which is 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.