

Classification **PUBLIC**

Meeting **October 9, 2007**

Agenda Item **Monitoring Report:
Strategic and Financial Planning – 2nd Semi-
Annual Report 2007**



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: _____

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 strategic operational plan and the business plan, which in turn drive the annual budget and the 5 Year Operating and 10 Year Capital forecast. Furthermore, three-year 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 is broken down into annual components and that is the annual operational plan. The plan was published on behalf of the Board with Board approval.

The Strategic Operational Plan was reviewed and accepted in principle by the Board at the April 2007 meeting.

Annual financial planning is done with the input and participation of all operational levels, in order to meet Business Plan objectives, Strategic Operational Plan objectives and Board Ends, in accordance with specific Board direction which I seek prior to commencement of the Annual Budget process in June of each year. The Annual Business Plan Budget is always the first year of the 5 Year Forecast submitted to the Region of Durham and the Board.

Data in Support:

The supporting data is comprised of the 3 year Business Plan, the Strategic Operational Plan, the 5 Year Operating Forecast, the 10 year Capital Forecast and the Annual Business Plan Budget. The 3 Year Business Plan and the Strategic Operational Plan have been presented at prior meetings, and the 2008 Annual Business Plan Budget as well as the 5 Year Operating and 10 Year Capital Forecast will be presented at today's meeting.

Statement of Compliance:

I therefore report compliance with the General 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 contractual increases in the collective agreements 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 Annual Business Plan Budget 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 Annual Business Plan Budget tendered today includes the Board's governance budget of \$455,585.

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.

The new false alarm program which the Board approved in principal is expected to reduce user fees the service receives due to a lower incidence of false alarms and therefore fees for false alarms. The Annual Business Plan Budget will contain an explanation of this revenue reduction.

Data Support:

The Board will consider the 2008 budget at today's meeting. The revenue projection is based on service needs as I estimate them as well as existing grants and fees.

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

Attachments:

5 Year Operating Forecast
10 Year Capital Forecast
Annual Business Plan Budget for 2008.