

Classification **PUBLIC**

Meeting **May 12, 2008**

Agenda Item **Monitoring Report:  
Strategic and Financial Planning – 1st Semi-  
Annual Report 2008**



**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 Strategic Business Plan (which satisfies the requirements of the Police Services Act) and the Strategic Operational Plan, which in turn drive the annual budget and the 5 year forecast required by the Region. Furthermore, strategic plans and annual budgets are subject to realistic revenue and cost projections in both the near and long term.

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

The Strategic Business Plan was reviewed and accepted in principle by the Board at the April 14, 2008 meeting.

Annual financial planning is done with the input and participation of all operational levels, in order to meet Strategic 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 Strategic 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 Strategic Business Plan was presented in April 2008. The Strategic Operational Plan will be developed prior to the annual budget process. The preliminary 2009 plans will be reviewed by the Board in June.

The Region requires the 5 Year Forecast by August 1 2008 and the final detailed Annual Business Plan Budgets by October 1 2008. **The Region will issue a budget guideline for 2009 on October 1 2008.**

### **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 Board approved the 2008 Annual Business Plan Budget in January. Included in that plan were Alarms Revenue projections of 843k- up from 640k in preliminary budgets. While it is early in the year, we have noted that several factors in the implementation plan for the new program have had an impact on revenues. For example the carry over of 2 free responses for 2007 registrants have lowered Q1 revenues. Once those are expended we expect revenue to increase over the balance of the year. Notwithstanding the impact of the new Alarms By-law and this being a transition year, we will meet our overall budget for 2008.

Subject to the overall Alarms program success we may have to adjust future budget revenue predictions. To date there has been a 25% reduction in false alarms over 2007.

#### **Data Support:**

The Board approved the 2008 Annual Business Plan Budget in January.

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

#### **Attachments:**

None.