

Classification **PUBLIC**

Meeting **October 12, 2010**

Agenda Item **Monitoring Report:
Strategic and Financial Planning – 2nd Semi-
Annual Report 2010**



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 3 year Business Plan (which satisfies the requirements of the Police Services Act) and the Operational Plan, which in turn drive the annual budget and the 5 year 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 3 year Business Plan provides the goals and direction for the Operational Plan.

The 2011 – 2013 Business Plan was reviewed and approved by the Board at the July 12, 2010 meeting.

Annual financial planning is done with the input and participation of all operational levels, in order to meet Business Plan objectives, Operational Plan objectives and Board Ends, in accordance with specific Board direction. The Annual Business Plan Budget is the basis for 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 2011 – 2013 Business Plan, the annual Operational Plan, the 5 Year Operating Forecast, the 10 year Capital Forecast and the Annual Business Plan Budget.

The 3 Year 2011 – 2013 Business Plan was approved by the Board on July 12, 2010. The Operational Plan is currently under development and will be in place for 2011.

The Region was provided with the 5 Year Forecast in August of 2010 and the Board has been provided with that document as an appendix to this report. The 10 year Capital Forecast is included in the Annual Business Plan Budget package provided to the Board this date under separate cover.

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 Business Plan Budget for 2011 shall include the Board's governance budget of \$478 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.

The Board approved 2010 Annual Business Plan Budget totals \$145.892 million which was in compliance with the Region of Durham guideline.

The Board has yet to provide a guideline for 2011 but the Business Plan Budget being presented today will advance that process.

Data Support:

The Board approved the 2010 Annual Business Plan Budget in accordance with the Region of Durham guideline.

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

Attachments:

Region of Durham 2011 Budget Timetable
5 Year Base Budget Operating Forecast Submitted to Region of Durham.

Attachment #1

**TIMETABLE FOR THE 2011 REGIONAL BUSINESS PLANS & BUDGETS FOR
PROPERTY TAX PURPOSES, WATER SUPPLY, SANITARY SEWER AND SOLID
WASTE MANAGEMENT**

A) 5 YEAR FINANCIAL/ECONOMIC FORECAST & 2011 BUDGET GUIDELINES	
1. Departments and Outside Boards & Agencies Submit Estimates to Finance Department	October 1, 2010
2. Finance & Administration Committee Review and Approval of 5 Year Economic/Financial Forecast and 2011 Budget Guideline Report	January 18, 2011
3. Council Review and Approval of 5 Year Economic/Financial Forecast and 2011 Budget Guideline Report	January 26, 2011
B) 2011 DETAILED BUSINESS PLANS – PROPERTY TAX	
1. Departments & Outside Boards & Agencies Submit Detailed Business Plans/Budgets to Finance Department	October 1, 2010
2. Department Head Meeting to Review Budget Submissions	November 1, 2010
3. 2011 Transportation Servicing and Financing Study To Council	January 26, 2011
4. 2011 Long Term Property Tax Strategy To Council	February 16, 2011
5. 2011 Solid Waste Management Servicing and Financing Study To Council	February 16, 2011
6. Standing Committee Review of Departmental Business Plans & Budgets <ul style="list-style-type: none"> • Planning Committee (Feb. 22) • Works Committee (Feb. 23) • Transit Executive Committee (Feb. 23) • Health & Social Services Committee (Feb. 17) 	February 17-23, 2011
7. Finance and Administration Committee Review <ul style="list-style-type: none"> • F&A Committee Business Plans & Budgets • Other Departmental Business Plans & Budgets • Police Services Board Business Plans • Conservation Authorities Business Plans • Transit Business Plans & Budgets • Waste Business Plans & Budgets 	March 1-3, 2011
8. Council Review and Approval of: <ul style="list-style-type: none"> • All Departmental Business Plans & Budgets • Police Services Board Business Plans & Budgets • Conservation Authorities Business Plans & Budgets • Transit Business Plans & Budgets • Solid Waste Business Plans & Budgets • Provincial Download Budget 	March 9, 2011

The Regional Municipality
of Durham

2011 - 2015 Operating Forecast

Durham Regional Police

PROGRAM DESCRIPTION

	2009	2010	2011	2012	2013	2014	2015	2011-2016 TOTAL
OPERATING EXPENDITURES (\$000's)								
EXPENDITURES:								
Personnel Expenditures	\$122,294	\$129,837	\$138,526	\$143,198	\$149,815	\$158,389	\$166,933	\$756,861
Personnel Related Expenditures	\$2,300	\$2,329	\$2,350	\$2,397	\$2,446	\$2,494	\$2,569	\$12,254
Communication & Printing	\$2,593	\$2,624	\$2,621	\$2,672	\$2,623	\$2,676	\$2,756	\$13,148
Materials & Supplies	\$3,997	\$4,249	\$4,418	\$4,507	\$4,597	\$4,689	\$4,829	\$23,039
Professional Services	\$892	\$909	\$775	\$790	\$806	\$822	\$847	\$4,041
Computer Maintenance & Operations	\$1,013	\$1,133	\$1,197	\$1,220	\$1,245	\$1,270	\$1,308	\$6,239
Miscellaneous Expenses	\$595	\$632	\$675	\$689	\$702	\$717	\$738	\$3,521
Maintenance & Repairs	\$2,733	\$3,004	\$2,964	\$3,023	\$3,083	\$3,145	\$3,239	\$15,454
Rentals	\$3,152	\$3,251	\$3,346	\$3,413	\$3,482	\$3,551	\$3,658	\$17,450
Capital Assets	\$3,115	\$2,575	\$2,986	\$3,043	\$3,101	\$3,160	\$3,255	\$15,546
Debt Service and Insurance	\$2,071	\$2,135	\$3,085	\$7,375	\$8,007	\$9,486	\$9,936	\$37,868
TOTAL EXPENDITURES	\$144,856	\$152,678	\$162,843	\$172,227	\$179,907	\$190,397	\$200,067	\$905,440
REVENUES AND RECOVERIES	(\$7,074)	(\$6,766)	(\$7,288)	(\$7,288)	(\$7,288)	(\$7,288)	(\$7,288)	(\$36,441)
TOTAL REVENUES AND RECOVERIES	(\$7,074)	(\$6,766)	(\$7,288)	(\$7,288)	(\$7,288)	(\$7,288)	(\$7,288)	(\$36,441)
NET BUDGET	\$137,782	\$145,892	\$155,555	\$164,939	\$172,619	\$183,109	\$192,779	\$869,000
% Change	4.7%	5.9%	6.6%	6.0%	4.7%	6.1%	6.3%	
Debt Impact included (Ops Centre 2011, Clarrington/FIU 2012, Warehouse 2014)	0.0%	0.0%	0.6%	2.7%	0.4%	0.8%	0.0%	

NEED/EXPLANATION OF PROGRAM

Key Assumptions:

Possible wage increases

20 officers and 10 support staff in 2013 to 2015 none in 2011 and 2012 (half year cost in year of hire, annualization the next)

Ops Training Centre debt issued in early 2011 (\$14.2 million)

Clarington FIU Debt Issued in early 2012 (\$31.8 million)

Warehouse Debt Issued 2014 (\$13.2 million)

General Cost inflation 2%

Fuel relatively stable 2% increases (starting at \$1 per litre in 2012)

Revenues Stable (False Alarms decline in 2011 by \$50,000)

Development Charges beyond 2010 may be applied to repay Clarington FIU debenture, if so they won't be available as capital financing for other facilities

Future facilities and major equipment projects will be debt financed.