



REPORT TO THE POLICE SERVICE BOARD

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Date of Report: 12/17/2024

Type of Report: Public

Title: Strategic and Financial Planning – 2024 2nd Annual

RECOMMENDATION

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

EXECUTIVE SUMMARY

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 the 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 Strategic and Financial Plan updates are reported semi-annually under the Board’s Strategic and Financial Planning policy in March and September.

The Board’s Ends policies drive the multi-year Strategic Plan from which the annual budget and the 10-year capital forecast are derived. Together, these activities satisfy the requirements under the Police Services Act.

Annual financial planning is done with the input and participation of all operational levels to meet Strategic Plan objectives, and Board Ends per specific Board policy. Business plans and annual budgets are subject to realistic revenue and cost projections in the near and long term.

Data in Support:

The supporting data comprises the multi-year strategic plan, 5-year operating/10-year capital forecast, and the annual budget and business plan.

In December 2023, the Service presented to the Board, the 2024 multi-year Strategic Plan. The plan has been made available to the public through a modern and interactive format that is easily accessed on the Service and Board's websites.

Throughout 2024, the Finance unit worked to develop the 2025 proposed budget and long-term financial plan (2026-2034). In June 2024, the Region received the 2025-2034 operating and capital forecasts. The Service discussed the 2025 proposed budget and key long-term forecast pressures with the Board on several occasions during the summer, which was followed by a full report and budget package to the Board in November.

The Region presented the 2025 Budget Guideline to the Committee of the Whole and Regional Council in September 2024. Final budgets will be considered at the Committee of the Whole, with approvals expected at the Regional Council meeting in December 2024.

Therefore, I report **compliance** with this provision.

DISCUSSION

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 that 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 set out within the approved budget for the upcoming year and are in furtherance of Board Ends and Limitations policies.

Data in Support:

In July, the Board received a presentation with an overview of the 2025 proposed budget including information about base budget pressures and strategic investments. Prior to the 2024 budget, funding for current programs and activities, which are required to maintain existing Board End compliance and service levels, have typically been approved at an annual base budget increase of three (3) to four (4) percent. However, current and anticipated future socio-economic factors and supply chain challenges continue to impact these assumptions and put pressure on the level of base funding required.

Base pressures include the annualization (8 months) of 76 full-time positions approved in the 2024 budget, wage and benefit assumptions for the three (3) collective bargaining agreements which expire December 31, 2024, capital pressures, and continued inflationary pressures for supplies and services.

Strategic investments in the proposed 2025 budget focused on the Service's three (3) strategic goals:

1. *Be a leader in innovative and modernized policing;*
2. *Have strong strategic partnerships that enhance community safety, and*
3. *Earn the trust and confidence of members and local communities*¹

Included in the 2025 proposed budget is funding to support strategic investments, including half-year salary, benefits, and start-up costs for the addition of 168 full-time authorized positions. Allocated to operational, investigative, and professional areas, these resources will support the service to meet legislative requirements (officer training, evidence disclosure), and provide expanded support to the community, for example, through the expansion of the Community Safety Unit, and the introduction of a dedicated team to investigate and support individuals impacted by Hate crime.

I have not undertaken or approved any activities that would result in higher ongoing cost increases that cannot be balanced with reduced discretionary spending from other operational areas.

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.

¹ Durham Regional Police Service. 2024 Strategic Plan. Retrieved November 7, 2024, from <https://reports.drps.ca/2024-strategic-plan>

Interpretation of the Chief of Police:

I must ensure that the Service diligently plans and reports on expected future revenues and expenses in a format that meets the requirements of the Board and the Region of Durham.

Data in Support:

The Financial Conditions and Activities reports were made available to the Board quarterly in March, May, September, and December. These reports provide regular updates on current-year spending and forecasted year-end financial outlook.

The 2025 proposed budget, including the ‘renewed’ 10-Year Facilities Capital Forecast document, key planning assumptions, and revenue or funding risks/opportunities, were made available to the Region in October 2024 and to the Board in November 2024, with final approval anticipated in December 2024.

The critical planning assumptions included:

- The number of authorized staff and estimates for contractual wage rate increases anticipated for 2025, pending the completion of collective bargaining negotiations;
- Prior years’ expense experience presented in the budget reports and in the quarterly financial monitoring reports, showing which expenses exceeded the approved budget allocation and which expenses were less than the budget allocation;
- The Region provided estimates for employee benefit costs, which is a contract they administer on behalf of the Board;
- The Region provided estimates for vehicle fuel, electricity, heating, and water/sewer prices;
- The Region provided estimates for the cost of the space occupied by the Service and the Board at RHQ and,
- Board-approved fees.

Therefore, I report **compliance** with this provision.

Policy Provision # 3

Provides less for Board prerogatives during the year than is outlined 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 in Support:

The 2025 proposed budget included the Board's governance budget of \$731k (2024 = \$674k).

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 by Board-approved by-laws.

Data in Support:

The 2025 proposed budget included realistic projected funding and user fee revenues based on available assumptions during the budget development and approval process. The Service will make reasonable estimates for long-term funding sources that expire when no confirmed renewal information is available. The Service does not include unanticipated or one-time funding revenues and associated costs in the budget process.

In November 2024, the Board received information on the 2025 proposed budget, including provincial funding, operational revenues, and cost recovery amounts totaling \$23 million or an increase of 7.1% over the approved 2024 budget. The increase relates to higher cost recoveries for pay duty services and from municipal and external partners.

Therefore, I report **compliance** with this provision.

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

Report Approval Details

Document Title:	Strategic and Financial Planning Report 2024-2nd Annual.docx
Attachments:	
Final Approval Date:	Nov 29, 2024

This report and all of its attachments were approved and signed as outlined below:

Stan MacLellan



Peter MOREIRA