

# REVISED

as of 9:30 a.m. May 11/10



PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5, Canada

**Item No. 11.1.10**  
**Halifax Regional Council**  
**May 11, 2010**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

A handwritten signature in black ink, appearing to read "Dan English".

Dan English, Chief Administrative Officer

A handwritten signature in blue ink, appearing to read "Phil Townsend".

Phil Townsend, Acting Deputy Chief Administrative Officer - Operations

**DATE:** April 29, 2010

**SUBJECT:** 2010/2011 Advanced Capital Budget Approval - 2<sup>nd</sup> Submission

## ORIGIN

This report originates from staff.

## RECOMMENDATION

It is recommended that Halifax Regional Council approve \$16,400,000 of additional advanced funding of the Proposed 2010/2011 Capital Budget; as outlined in the Budget Implications section of this report.

## BACKGROUND

On September 16, 2008, Council approved a change in the process for addressing early approval of a portion of the Capital Budget. The Capital Steering Committee, a committee of senior staff, was granted the authority to approve advanced funding where projects meet the criteria outlined in the Advanced Capital Project Funding Policy, included as Attachment A.

Advanced capital funding approval allows HRM to:

1. Take advantage of lower tendered prices from contractors by calling tenders in the early period of the construction season.

2. Take advantage of the full summer construction period to carry out projects which are sensitive to time and weather, such as working in the dry summer season to minimize environmental impacts, or working in school zones during the summer school break.
3. Tender projects which require a lengthy lead time to order equipment that will significantly delay the construction or installation of equipment.

Under this policy the Capital Steering Committee approved a list of projects which were contained in an information report to Council February 16<sup>th</sup>, 2010.

### **DISCUSSION**

This second approval is required because of critical time lines associated with several projects included in the 2010/11 Capital Budget.

Advanced capital is needed to ensure that projects can be completed within the scheduled construction season. It is important to note that all projects in this list are leveraged by external funding sources, and have critical needs for completion as follows:

<b>Project Number</b>	<b>Project Name</b>	<b>Rationale</b>
CBX01281	Beaver Bank Community Centre	Replacement for Building Destroyed by Fire (Advance received from HRM insurers)
CBX01148	Centennial Pool Upgrades	Recreation Infrastructure Canada Program - Funding lapses March 31, 2011
CBX01100	Herring Cove Fire Station	Infrastructure Stimulus Program - Funding Lapses March 31, 2011
CBX01210	Hubley Fire Station	Infrastructure Stimulus Program - Funding Lapses March 31, 2011
CQ300748	Washmill Underpass & Extension	Infrastructure Stimulus Program - Funding Lapses March 31, 2011
CQ301291	North Dartmouth Trunk Sewer	Infrastructure Stimulus Program - Funding Lapses March 31, 2011

The Capital Steering Committee had the authority to approve the first round of advanced capital budget, presented in February 16, 2010, but only Council may approve 2010/2011 proposed budget items after December 31 of the preceding year.

### **BUDGET IMPLICATIONS**

The requested Advanced Capital Budget amount of \$16,400,000 would be the second request for advanced funding of the 2010/2011 Proposed Capital Budget. Funding for these projects will be

from a variety of sources including: Infrastructure Stimulus Program, RInC Program, debt, capital from operating, reserves and insurance proceeds.

All items in the table below are contained in the proposed 2010/2011 capital budget and have been reviewed and approved by the Capital Steering Committee.

Project Number	Project Name	Advanced Feb 16th	Current Advanced Request
CBX01281	Beaver Bank Community Centre	0	500,000
CBX01148	Centennial Pool Upgrades	0	1,700,000
CBX01100	Herring Cove Fire Station	1,375,000	1,325,000
CBX01210	Hubley Fire Station	1,375,000	1,375,000
CQ300748	Washmill Underpass & Extension	1,000,000	7,500,000
CQ301291	North Dartmouth Trunk Sewer	0	4,000,000
Total		3,750,000	16,400,000

#### **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the proposed Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

#### **ALTERNATIVES**

Council could agree not to approve advance capital funding, and wait for the formal approval of the entire 2010/11 Capital Budget. This is not recommended for the reasons outlined in this report.

## **ATTACHMENTS**

Attachment A - Memorandum from Director, Infrastructure and Asset Management, dated January 26, 2010 re: Advanced Capital Funding for the 2010/2011 Capital Budget.

Attachment B - List of Advanced Capital Budgets approved by the Capital Steering Committee contained in an Information Report on February 16, 2010.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Mike Matheson, CMA, Senior Financial Consultant, 490-5338



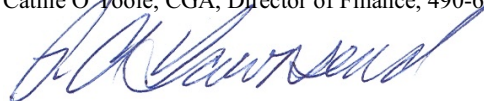
Report Approved by:

Peter Duncan, Manager, Infrastructure Planning Office, 490-5449

Financial Approval by:



Cathie O'Toole, CGA, Director of Finance, 490-6308



Report Approved by:

Phil Townsend, Director, Infrastructure Planning Office, 490-4727

**Attachment A**

**Advanced Capital Project Funding Policy**

All capital projects using Advanced Funding must meet the following criteria:

- ◆ the project must be included in the proposed capital budget for the new fiscal year (Year 2 of the currently approved capital budget)
- ◆ advanced funding for each project must not exceed 50% of the proposed capital budget for that project for the upcoming fiscal year
- ◆ project manager must provide justification to business unit director for the need for advance funding
- ◆ business unit director and capital steering committee must confirm that the project continues to be a part of the capital budget for the new fiscal year
- ◆ approval for advanced funding cannot be given prior to October 1<sup>st</sup> (i.e. 6 months before the commencement of the new fiscal year)
- ◆ no advanced capital requests can be approved after December 31<sup>st</sup>
- ◆ the normal procurement process for contracts still applies

Projects which have not been included in the previous year's capital plan and any requests for additional funding beyond the limits established above, must be approved by Council.

**Attachment B**

**2010/11 Advanced Capital Funding**

The following projects form part of the Proposed 2010/11 Capital Budget. All projects are included in Year 2 of the Capital Plan, as shown in the 2009/10 Capital Budget.

<b>Project Number</b>	<b>Project Name</b>	<b>Project Manager</b>	<b>10/11 Gross</b>	<b>Advanced Request</b>
New Number needed	Otter Lake Equipment	Jim Bauld	2,486,000	365,314
CBX01144	4-Pad Arena	Darren Young	18,333,000	9,166,500
CQ300748	Washmill Lake Court/102	Michael Wile	8,500,000	1,000,000
CWU01062	Waste Stabilization Facility Roof	Barry Nickerson	3,235,000	1,366,345
CBX01161	Energy Efficiency Projects	Julian Boyle	500,000	250,000
CZU01080	New Paving HRM Owned	Dave Hubley	1,032,000	516,000
CYU01081	Paving Renewals	Dave Hubley	3,325,000	1,662,500
CZU01082	Resurfacing	Dave Hubley	10,849,000	5,424,500
CKU01084	Sidewalk Renewal	Dave Hubley	1,495,000	747,500
CJU01083	New Sidewalk	Dave Hubley	1,750,000	875,000
CYU01076	Curb Renewals	Dave Hubley	560,000	280,000
CRU01078	Street Planer Patching	Dave Hubley	1,050,000	525,000
CRU01077	Bridge Repairs	Dave Hubley	1,991,000	460,000
CVD00436	Ferry Refit	Eddie Robar	580,000	50,000
CVK01090	Police Marked Cars	Paul Beauchamp	1,000,000	500,000
CTU00886	LED Traffic Signal Conversion	Ken Reashor	300,000	150,000
CTU00422	Traffic Signal Compliance	Ken Reashor	50,000	25,000
CTU00420	Active Transportation Plan	Ken Reashor	500,000	250,000
CTU00419	Traffic Signal Rehabilitation	Ken Reashor	330,000	165,000
CTU00337	Controller Cabinet replacement	Ken Reashor	100,000	50,000
CTR00908	Transportation Demand	Ken Reashor	100,000	50,000
CTR00906	Pedestrian Safety & Access	Ken Reashor	50,000	25,000
CTU01086	Intersection Improvement Program	Ken Reashor	1,200,000	600,000
CTR00530	Traffic Signal Control System	Ken Reashor	100,000	50,000
CDG00983	Regional Trails: Maintenance	Blair Blakeney	70,000	35,000
CPU00930	Point Pleasant Park Upgrades	Blair Blakeney	2,000,000	1,000,000
CPX01133	Regional Trails Acquisition	Blair Blakeney	200,000	100,000
CPX01149	Park Land Acquisition	Blair Blakeney	500,000	250,000
CPX01178	Track and Field Upgrades	Blair Blakeney	25,000	12,500
CPX01179	Athletic Field/Park Equip (Bundle)	Blair Blakeney	50,000	25,000

ProjectNumber	Project Name	Project Manager	10/11 Gross	Advanced Request
CPX01180	Ballfield Upgrades	Blair Blakeney	75,000	37,500
CPX01181	Cemetery Upgrades (Bulk)	Blair Blakeney	30,000	15,000
CPX01183	Horticultural Renovations	Blair Blakeney	30,000	15,000
CPX01185	New Park and Playground	Blair Blakeney	365,000	182,500
CPX01188	New Street Trees Program	Blair Blakeney	150,000	75,000
CPX01189	Outdoor/Spray	Blair Blakeney	480,000	240,000
CPX01190	Park Upgrades	Blair Blakeney	286,000	143,000
CPX01192	Playgrounds	Blair Blakeney	510,000	255,000
CPX01193	Public Gardens Upgrades	Blair Blakeney	900,000	450,000
CPX01194	Regional Park Washroom	Blair Blakeney	250,000	125,000
CPX01196	Regional Trails Active	Blair Blakeney	300,000	150,000
New number needed	Chester Spur Line	Peter Bigelow	1,000,000	500,000
CPX01199	Sports Court Upgrades (Bundle)	Blair Blakeney	507,000	253,000
CPX01201	Street Tree Replacement Program	Blair Blakeney	125,000	62,500
CBM00711	Fuel Depot Upgrades	Terry Gallagher	400,000	200,000
CBX01046	Halifax City Hall Stone Restoration	Terry Gallagher	2,000,000	1,000,000
CBX01100	Herring Cove Fire Station	Terry Gallagher	2,750,000	1,375,000
CBX01140	Metropark Upgrades	Terry Gallagher	60,000	30,000
CBX01151	All Buildings Program (Bundle)	Terry Gallagher	610,000	305,000
CBX01210	Hubley Fire Station	Terry Gallagher	2,750,000	1,375,000
New number needed	Electrical (Category 7)	Terry Gallagher	165,000	82,500
New number needed	Architecture - Exterior (Category 2)	Terry Gallagher	50,000	25,000
CBX01154	Accessibility - HRM Facilities	Terry Gallagher	200,000	100,000
CBX01157	Alderney Gate	Terry Gallagher	310,000	155,000
New number needed	Consulting - Buildings (Category 0)	Terry Gallagher	87,000	43,500
New number needed	Roof (Category 3)	Terry Gallagher	1,315,000	657,500
New number needed	Site Work (Category 1)	Terry Gallagher	325,000	162,500
CBX01056	Strategic Community Facility	Terry Gallagher	100,000	50,000
New number needed	Structural (Category 4)	Terry Gallagher	70,000	35,000
New number needed	Architecture - Interior (Category 5)	Terry Gallagher	1,050,000	525,000
CBX01152	Major Facilities-Upgrades (Bundle)	Terry Gallagher	1,913,200	956,600
New number needed	Mechanical (Category 6)	Terry Gallagher	400,000	200,000
<b>Total</b>			<b>81,824,200</b>	<b>35,757,259</b>