


Item No. 11.2.3
Halifax Regional Council
May 13, 2014

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:  Original Signed
Councillor Bill Karsten, Chair, Audit & Finance Standing Committee

DATE: April 30, 2014

SUBJECT: Budget Increase - Project Account No. CEO 10001

ORIGIN

April 16, 2014 meeting of the Audit & Finance Standing Committee, Item 9.1.4

LEGISLATIVE AUTHORITY

Audit & Finance Standing Committee Terms of Reference section 3.8, which states "to review and make recommendations on proposals coming to Halifax Regional Council outside of the annual budget or tender process including but not limited to:

- New Programs or services not yet approved
- Programs or services that are being substantially altered
- Proposed changes in operating or budget items
- Committing of funds where there is insufficient approved budget, or,
- New or increased capital projects not included in the approved budget
- Increases in project budget due to cost sharing
- Creation or modification of reserves and withdrawals not approved in the approved budget

RECOMMENDATION

The Audit & Finance Standing Committee recommends that Halifax Regional Council approve an increase to Project Account CEO 10001 - Fire Services Equipment Replacement, in the amount of \$400,000 with funding from Fire Services Operating account F11O-6701, Operations - Equipment Purchases.

BACKGROUND

On April 30, 2013, Halifax Regional Council passed the 2013-14 project budget which included the budget for Fire Services Equipment Replacement. This was the first year for equipment purchases such as Hose, Extrication Equipment and Bunker Gear to be allocated in the project budget as they had previously been funded in the operating budget. A transfer of \$350,000 from the operating budget to the project budget was proposed by staff and approved by Regional Council.

A review of purchases in the first three quarters of 2013-14 has identified that the bulk of Halifax Regional Fire and Emergency (HRFE) equipment operating costs meets the project budget criteria and therefore should have been included in the 2013-2014 project budget. In light of this, staff is recommending the transfer of an additional \$400,000 from Fire Services Equipment Purchases operating account to Fire Services Equipment Replacement project account – CEO 10001.

DISCUSSION

The Audit & Finance Standing Committee reviewed this matter at their April 16, 2014 meeting and forwarded the recommendation to Regional Council as outlined in this report.

FINANCIAL IMPLICATIONS

As outlined in the staff report dated January 29, 2014.

COMMUNITY ENGAGEMENT

All meetings of the Audit & Finance Standing Committee are open to the public. The Agenda and reports are posted online in advance of the meeting.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

ALTERNATIVES

The Audit & Finance Standing Committee did not discuss alternatives.

ATTACHMENTS

- 1. Staff report dated January 29, 2014.**

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: Liam MacSween, Legislative Assistant, 490-6521

Attachment 1

Audit & Finance Standing Committee
April 16, 2014

TO: Chair and Members of Audit & Finance Standing Committee

SUBMITTED BY: Original Signed
Richard Butts, Chief Administrative Officer

Original Signed

Doug Trussler, Chief Director, Fire and Emergency

DATE: January 29, 2014

SUBJECT: Budget Increase - Project Account No. CE010001

ORIGIN

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Council approved, Dec 11, 2012, that all budget increases are to be presented to the Audit and Finance Standing Committee, prior to submission to Council.

Halifax Charter, section 93(1) - The Council shall make estimates of the sums that are required by the Municipality for the fiscal year; Halifax Charter, section 79(1) - Specifies areas that the Council may expend money required by the Municipality; Halifax Charter, section 35(2)(d)(i) - The CAO can only authorize budgeted expenditures or within the amount determined by Council by policy; Halifax Charter, section 120(6) - The Municipality may maintain other reserve funds for such purposes as the Council may determine; Halifax Regional Municipality policy on Changes to Cost Sharing for Capital Projects - Changes requiring Council approval; and the Halifax Regional Municipality Reserve Policy - No reserve funds will be expended without the CAO's recommendation and Council approval.

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RECOMMENDATION

It is recommended that the Audit and Finance Standing Committee recommend that Halifax Regional Council approve an increase to Project Account CE010001 – Fire Services Equipment Replacement, in the amount of \$400,000 with funding from Fire Services Operating account F110-6701, Operations – Equipment Purchases.

BACKGROUND

On April 30, 2013, Halifax Regional Council passed the 2013-14 project budget which included the budget for Fire Services Equipment Replacement. This was the first year for equipment purchases such as Hose, Extrication Equipment and Bunker Gear to be allocated in the project budget as they had previously been funded in the operating budget. A transfer of \$350,000 from the operating budget to the project budget was proposed and approved.

DISCUSSION

A review of purchases in the first three quarters of 2013-14 has identified that the bulk of our equipment operating costs meets the project budget criteria and therefore should have been included in the 2013-2014 project budget. In light of this, it is our recommendation to transfer an additional \$400,000 from Fire Services Equipment Purchases operating account to Fire Services Equipment Replacement project account.

FINANCIAL IMPLICATIONS

This transfer of funding from Operating account F110 - 6701, Operations - Equipment Purchases, is within the 2013-14 budget. Fire Services' overall Operating budget as of December projections is estimated to be in a deficit position of \$58,000. The budget availability has been confirmed by Finance.

Budget Summary: Project No. CE010001-Fire Services Equipment Replacement

Approved Budget	\$350,000
Plus: Transfer from Operating	<u>\$400,000</u>
Balance	\$750,000

COMMUNITY ENGAGEMENT

N/A

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications with this report.

ALTERNATIVES

Regional Council may decide not to approve the additional funding for the project budget. This is not the recommended course of action as this is more of a proper accounting exercise and this transfer has no net effect on the combined operating/project budget.

A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/SCfinance/index.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: Gerard Cotteau, Financial Coordinator, 490-4260

Original Signed

Report Approved by:


Doug Trussler, Chief Director, 490-4239

Original Signed

Financial Approval by:


Greg Keefe, Director of Finance & ICT/CFO, 490-6308
