

**Item No.**  
**Audit & Finance Standing Committee**  
**April 3, 2013**

**TO:** Chair and Members of Audit & Finance Standing Committee

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**SUBMITTED BY:** \_\_\_\_\_  
Eddie Robar, Director, Metro Transit

**DATE:** March 13, 2013

**SUBJECT:** **Midlife Bus Rebuild Funding**

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**ORIGIN**

Approved 12/13 Project Budget

**LEGISLATIVE AUTHORITY**

Under the HRM Charter, Section 79 Halifax Regional Council may expend money for municipal purposes.

**RECOMMENDATION**

It is recommended that the Audit and Finance Committee recommend that Halifax Regional Council approve an increase to Project No. CVD00431 - Midlife Bus Rebuild by \$350,000 with a corresponding decrease to Project No. CVD00435 – Conventional Bus Replacement by \$300,000, and a decrease to Project No. CVD00434 – Conventional Bus Expansion by \$50,000 as outlined in the Financial Implications section of this report.

**BACKGROUND**

Project No. CVD00431 - Midlife Bus Rebuild is used by Metro Transit Bus Maintenance. The goal of the bus rebuild program is to extend the productive useful life of a conventional bus from 14 years to 20 years.

In order to achieve this, a midlife rebuild/refurbish is completed at year 12. The benefits to the bus rebuild are improved safety, corporate image and reliability, decreased downtime and improved compliance to Utility and Review Board (UARB) legislative requirements.

The tasks involved with this project are to rebuild the engine, transmission and differential, replace the corroded structural components and paint the entire bus.

**DISCUSSION**

The costs related to the Midlife Bus Rebuild are initially charged to Metro Transit Operating account R935 and subsequently settled to Project No. CVD00431. The costs are settled to a project account in order to properly account for the value of the asset as per HRM's Tangible Capital Asset Policy.

The 12/13 approved project budget for CVD00431 was \$65,000. This budget is insufficient for the annual costs charged to this project.

**FINANCIAL IMPLICATIONS**

The budget availability has been confirmed by Finance.

**Budget Summary: Project No. CVD00431 – Midlife Bus Rebuild**

Cumulative Unspent Budget	\$ 924.11
Add: Transfer	<u>\$ 350,000.00</u>
New Balance	\$ 350,924.11

**Budget Summary: Project No. CVD00435 – Conventional Bus Replacement**

Cumulative Unspent Budget	\$ 406,914.25
Less: Transfer	<u>\$ 300,000.00</u>
New Balance	\$ 106,914.25

**Budget Summary: Project No. CVD00434 – Conventional Bus Expansion**

Cumulative Unspent Budget	\$ 343,455.32
Less: Transfer	<u>\$ 50,000.00</u>
New Balance	\$ 293,455.32

**ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications.

**ALTERNATIVES**

The Audit and Finance Standing Committee could deny this recommendation, however, this is not recommended as it will be in conflict with the Tangible Capital Asset Policy.

**ATTACHMENTS**

None

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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.

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Report Approved by:

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Financial Approval by:

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

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