

**Item No. 9.1.3**  
**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

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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.

**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>
<b>Balance</b>	<b>\$750,000</b>

**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.

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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.

Report Prepared by: Gerard Cotteau, Financial Coordinator, 490-4260

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Report Approved by:

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Doug Trussler, Chief Director, 490-4239

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Financial Approval by:

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

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