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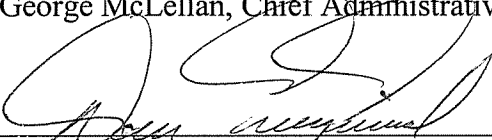
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Halifax Regional Council  
January 27, 2004

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

**SUBMITTED BY:**

  
George McLellan, Chief Administrative Officer

  
Dan English, Deputy Chief Administrative Officer

**DATE:** January 20, 2004

**SUBJECT:** Leased Premises - Realignment 2003 Office Moves

### **ORIGIN**

On December 17, 2002, Council approved recommendations to increase the level of municipal occupancy at Alderney Gate, to address office space deficiencies and lead to greater efficiency of operations based on the HRM business unit re-organization of January 2003.

### **RECOMMENDATION**

It is recommended that:

- Council approve an increase of \$180,000 to the 2003/04 Capital Budget under Capital Project CB300528 Capital Leasehold Improvement Alderney Drive, with funding to be provided from Q103 Capital Surplus Reserve, as outlined in the Budget Implications Section of this Report.

## **BACKGROUND**

The January 2003 corporate re-alignment highlighted the need to consolidate several staff groups to achieve operational efficiencies. After consideration of the space options available, it was determined that the optimum approach was as follows:

- To consolidate Regional Planning and Capital District staff into the Halifax Ferry Terminal;
- To relocate Recreation, Culture and Tourism from Halifax Ferry Terminal to Alderney Gate Level 2;
- To develop project offices for CAD/RMS and LIS at Alderney Gate Level 1;
- To relocate the Customer Service Centre from its existing location at Alderney Gate Level 2 to the mezzanine area of Alderney Gate Level 2, thereby improving public access, improving staff security, and reclaiming 1,000 square feet by eliminating unessential hallway space from the floor plan.

Funding for this series of renovations was provided from Capital Project CB300528 Capital Leasehold Improvement Alderney Drive, supplemented by various operational budgets in 2002/03 and 2003/04. Due to 2002/03 year-end timing in relation to the series of renovations, \$180,000 of operational funds earmarked for the renovations was transferred from the applicable operational cost centers to Q103 Capital Surplus Reserve at the 2002/03 year-end, as detailed in the Budget Implications section of this Report.

## **DISCUSSION**

Currently, the renovations are complete for:

- Halifax Ferry Terminal - Regional Planning, Capital District.
- 6<sup>th</sup> Floor Alderney Gate - RPAM, EMS, Public Works & Transportation, Planning & Development.
- 1<sup>st</sup> Floor Alderney Gate - CAD/RMS and LIS Project Office.
- 2<sup>nd</sup> Floor Alderney Gate - RTC office space.

Remaining work includes:

- Relocation of the Customer Service Centre to the mezzanine area of Alderney Gate Level 2;
- Reorganizing of the Planning and Development space, focussing on the new location of the Customer Service Centre;
- Relocation of EMS staff to Alderney Gate Level 2.

Upon completion, these renovations will result in better utilization of the existing portfolio of leased space, eliminating the need to increase HRM's current leased portfolio.

**BUDGET IMPLICATIONS**

Due to year-end timing in relation to the series of office relocations, the following funding sources were transferred to Q103 Capital Surplus Reserve at March 31, 2003:

Source	Description of Funding Source	Amount to Q103
02/03 Operating	C002 Regional Planning / 6999 Other Goods & Services	\$120,000
02/03 Operating	C779 Capital District / 6919 Special Projects	30,000
02/03 Operating	A430 Business Solutions / 6203 Office Furniture and Equipment	30,000
<b>Total</b>	<b>02/03 Year-end Transfer to Q103 Capital Surplus Reserve</b>	<b>\$180,000</b>

The current recommendation is to withdraw these funds from Q103 Capital Surplus Reserve to fund the increase in Capital Project CB300528 Capital Leasehold Improvement Alderney Drive, to complete the series of renovations described in this Report.

Total proposed budget for Capital Project CB300528 is as follows:

	Source of Funding	Amount
2002/03 Approved Capital Project	External funding provided from tenant improvement allowance (Alderney Gate)	\$353,930
2003/04 Proposed Budget Increase	Withdrawal from Q103 Capital Surplus Reserve, as detailed above	180,000
<b>Revised Budget - Capital Project CB300528</b>		<b>\$533,930</b>

**FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating budget, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. If approved, this will increase the 2003/04 Capital Budget and corresponding withdrawals from reserves in the amount of \$180,000.

ALTERNATIVES

**Option 1:** The remaining work could be postponed until 2004/05. This is not a recommended alternative. To enable an early consolidation of the Regional Planning and Capital District into the Halifax Ferry Terminal, Recreation, Tourism and Culture staff took up temporary space in Alderney Gate while the Ferry Terminal renovations took place. Since that time Planning and Development staff has also been working out of temporary space. Both of these voluntary relocations to temporary space need to be resolved to return these areas of HRM back to efficient work configurations.

ATTACHMENTS

None.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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