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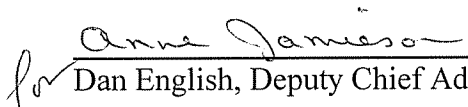
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**Halifax Regional Council**  
**April 27, 2004**

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

**SUBMITTED BY:**

  
George McLellan, Chief Administrative Officer

  
Dan English, Deputy Chief Administrative Officer

**DATE:** April 20, 2004

**SUBJECT:** **Harbour Solutions Project: Community Liaison Committees - Expenditures Approval**

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**ORIGIN**

Community Integration Funds (CIFs) have been established for each community hosting a Harbour Solutions' Sewage Treatment Plant (STP). Certain expenditures have been previously approved by Council from these funds. One Community Liaison Committee (CLC) has requested funds for operating expenses; these proposed expenditures must be approved by Council. It is also appropriate to confirm the process and adopt policies for these expenditures.

**RECOMMENDATION**

It is recommended that Halifax Regional Council:

1. Approve \$3000 budgets for Operating Expenses for the Community Liaison Committees in each of Halifax, Dartmouth and Herring Cove. These expenditures are to be funded from the Community Integration Funds for each host community (Harbour Solutions Internal Orders CSE00396, CSE00397, and CSE00398) administered through the Harbour Solutions Office; and,
2. Endorse the written policies for expenditures from the Community Integration Funds.

## **BACKGROUND**

The Harbour Solutions Project has always included Community Integration Funds for each host community: \$1 million for each of Halifax and Dartmouth, and \$5 million for Herring Cove. The basic concept has always been that the funds would be spent to integrate the Sewage Treatment Plants (STPs) into their host communities as determined by the residents of those communities through their CLC. Expenditures proposed by the CLC will be approved by Council. All expenditures will follow HRM Procurement policies. The funds spent to date have been capital in nature and were approved by Council the same as any other project. Funds have been spent for conceptual design work for both a trail for Dartmouth, and the extension of sewer and water services to Herring Cove.

## **DISCUSSION**

Funds spent to date have been approved by Council and have followed HRM procurement policies. As funds have now been requested for operating costs, it is appropriate to seek Council approval of the proposed expenditures and implement a process for administering them.

The attached *Policy for Expenditures from Community Integration Funds* re-iterates the framework for administration of these funds. In essence, capital expenditures will be proposed by the CLCs and brought forward for Council approval through a staff report. Operating expenses will also be approved by Council and administered through the Harbour Solutions Office. Where possible, supplies and services will be ordered and directly paid by HRM. This will ensure the best pricing is obtained through HRM's purchasing power, provide full accountability, minimize HST, and ensure HRM procurement rules are followed.

Operating expenses are anticipated to include such items as office supplies, copying, advertising, etcetera. The Herring Cove CLC has indicated that they will be purchasing paper and toner but will be using computers and printers owned by CLC members. The \$3000 requested for operating expenses is just a pre-authorization to spend funds if and when needed. Should some - or all - of these funds not be spent by the CLC in a host community, they will be available to be applied on the capital project(s) in that community.

## **BUDGET IMPLICATIONS**

There are no budget implications. Harbour Solutions total budget approved by Council in October 2002 included the full amount of the Community Integration Funds. Annual capital budgets for the Project approved by Council included anticipated expenditures from those funds.

**FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality’s Multi-Year Financial Strategy, the approved 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**

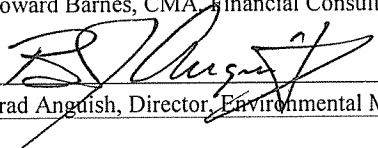
1. Council could request amendments to the attached Policy for Expenditures.
2. Council could reject the funding of operating expenses for the CLC. Given that the CLC is a volunteer organization, the resultant operational support burden would pass to HRM staff. Therefore this alternative is not recommended.

**ATTACHMENTS**

1. Harbour Solutions: Policy for Expenditures from Community Integration Funds

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.

Report Prepared by: Howard Barnes, CMA, Financial Consultant, Harbour Solutions Project

Report Approved by:   
Brad Anguish, Director, Environmental Management Services

# Harbour Solutions

## Policy for Expenditures from Community Integration Funds

### ***Basic Principles***

Community Integration Funds (CIFs) have been established for each community hosting a Harbour Solutions' Sewage Treatment Plant (STP). Funds are spent to integrate the STPs into their host communities as determined by the residents of those communities through their CLC. The CLC seeks Council approval of the proposed expenditure. All expenditures will follow HRM Procurement polices.

### ***Budget***

CIF budgets have been approved by Council as follows:

Halifax (CSE00396)	\$1 Million
Dartmouth (CSE00397)	\$1 Million
Herring Cove (CSE00398)	\$5 Million

### ***Policies***

Capital expenditures recommended by CLCs will be brought to HRM Council for approval in a report prepared by appropriate HRM staff. This process parallels that of any other capital project approved by Council during the year.

Operating expenditures may be pre-approved at the aggregate level by Council or approved individually in exceptional circumstances.

All purchases will follow HRM guidelines, regulations and procurement policies.

Pre-approved operating expenses such as general office expenditures will be arranged through the Harbour Solutions office for the CLC. This will ensure that HRM's favourable pricing will apply to such items as office supplies and newspaper ads, non-recoverable HST is minimized, and that an audit trail will be maintained. Expenses will be charged to the appropriate internal order for each community integration fund.

Original receipts will be required for all expenditures. Any receipts for which reimbursement is sought will be submitted in a timely manner. No advances will be issued. Requests for payment and reimbursement should be signed by the Community Liaison

Committee as indication that the related good or service has been satisfactorily received and that the expenditure has been made in accordance with the approved purpose.

HRM has the capability to readily report on expenditures through SAP and will respond to reasonable requests for information.

The authority and responsibility for the administration of permissible expenses is that of HRM Financial Services.

This policy shall be reviewed after one year of implementation to evaluate its scope, relevance, and effectiveness. Responsibility for policy review and revision lies with HRM Financial Services.