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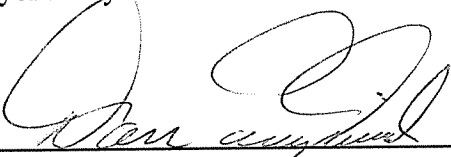


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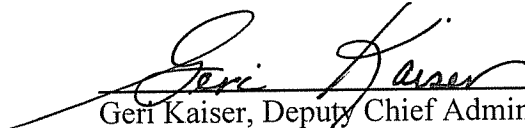
Halifax Regional Council
April 24, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Geri Kaiser, Deputy Chief Administrative Officer - Corporate Services
and Strategy

DATE: April 5, 2007

SUBJECT: Request for increase to Cost Sharing for Capital Projects

ORIGIN

- Annual capital budget approvals and requirement to have Council approval of any capital budget changes as a result of cost sharing agreements.
- Council Report April 24, 2007 - Policy for Changes to Cost Sharing for Capital Projects

RECOMMENDATION

It is recommended that Council authorize an increase in the budget for the capital projects cost shared with the HRWC and/or Heritage Gas as listed in Attachment A, with no net impact to HRM as indicated in the Budget Implications Section of this report.

BACKGROUND

HRM has entered into a number of joint capital projects with the Halifax Regional Water Commission (HRWC) and/or Heritage Gas and through the course of completing the work, additional costs have been incurred on their behalf. This has resulted in an increase to costs for the individual capital projects which, although there is no cost impact to HRM, requires the approval of Council.

DISCUSSION

As part of the year end process staff will close completed capital projects. There are a number of cost shared projects tendered prior to March 31, 2005 as outlined in Attachment A that require Council approval of the budget increase for HRWC and Heritage Gas cost sharing related to costs incurred as part of the project. There is no net impact to HRM as a result of these budget increases.

BUDGET IMPLICATIONS

Additional funding was received for the work performed on behalf of the HRWC and Heritage Gas as noted in Attachment A. At the time the original reports went to Council for the approval of the budget increases for this particular work, estimates were used as the actual costs were unknown at the time. Also noted are three tenders where reports for budget increases for cost sharing to be received from HRWC never went to Council for approval.

Capital Account # CYR00991	
Cumulative Unspent Budget	\$.05
Plus: Budget increase	<u>\$10,135.71</u>
Balance	\$10,135.76
Capital Account # CZU00565	
Cumulative Unspent Budget	\$108,589.46
Plus: Budget increase	<u>\$246,609.31</u>
Balance	\$355,198.77
Capital Account # CYU00563	
Cumulative Unspent Budget	\$752,339.76
Plus: Budget increase	<u>\$136,595.71</u>
Balance	\$888,935.47
Capital Account # CZU00717	
Cumulative Unspent Budget	\$68,906.06
Plus: Budget increase	<u>\$ 9,412.57</u>
Balance	\$78,318.63

The overall Capital Budget increase is \$402,753.30. The balance of funds will be used to fund the remaining projects in these capital accounts.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. If approved, the Gross Capital budget for each of these accounts will be increased.

ALTERNATIVES

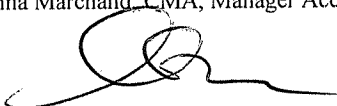
Council could not approve the recommendation, however this would leave these projects without full funding and is not recommended.

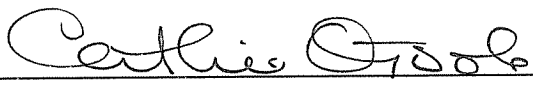
ATTACHMENTS

Attachment A - List of Capital Projects requiring approval for budget increase

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.

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Financial Approval by: 
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Report Approved by: 
Cathie O'Toole, CGA, A/Director Finance 490-6308

Attachment A

Budget increase cost shared projects

Tender #	Project # & Name	Increase	Purpose for Requested additional funding
<u>1. Budget increase HRWC shared projects:</u>			
03-271	Artillery Pl/Harris St CYR00991 Paving Renewal	\$10,135.71	Extra cost due to removal of impacted soil
04-234	Main St (Ridgecrest Dr to Forest Hills Dr) CZU00565 Resurfacing Various Location 04/05	\$10,150.69	Extra cost due to additional work on water system
04-241	Norwood St CYU00563 Paving Renewal 04/05	\$47,064.57	Extra due to impacted soil removal and lead service replacements
04-252	Golf Links Rd CYU00563 Paving Renewal 04/05	\$89,531.14	Original budget for costs was estimate only
04-253	Symonds St CZU00565 Resurfacing Various Locations 04/05	\$121,461.85	Original budget for costs was estimate only
04-281	Chris Evans Dr & Penticton Dr. CZU00565 Resurfacing Various Locations 04/05	\$65,609.67	Additional street resurfacing requested by HRWC
04-283	Parkhill Rd CZU00565 Resurfacing Various Locations 04/05	\$ 9,592.74	Extra cost due to rock excavation
05-259	Howard Ave CZU00717 Resurfacing Various Locations 05/06	\$ 9,412.57	Extra cost due to additional watermain replacement
<u>2. Budget increase for Heritage Gas shared projects:</u>			
04-253	Symonds Street CZU00565 Resurfacing Various Locations 05/06	\$37,231.87	Extra gas pipe required
04-239	Crichton Avenue CZU00565 Resurfacing Various Locations 05/06	\$ 2,562.49	Additional gas pipe installed
Total Budget Increase		\$402,753.30	