



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 11.1.3

Halifax Regional Council
January 20, 2009

TO: Mayor Kelly and Members of Halifax Regional Council

A handwritten signature in dark ink, appearing to read "Dan English".

SUBMITTED BY:

Dan English, Chief Administrative Officer

A handwritten signature in dark ink, appearing to read "Wayne Anstey".

Wayne Anstey, Deputy Chief Administrative Officer

DATE: January 20, 2009

SUBJECT: Pre-approval Ferry Biennial Refit

ORIGIN

This report originates from Metro Transit's need to comply with the legislated requirement for the refit of the Dartmouth III and the engine replacement of the Woodside I. The timing of the refit is necessary to reduce down time and minimize ridership and revenue loss.

RECOMMENDATION

It is recommended that Halifax Regional Council pre-approve the expenditure of \$470,000 from Capital Account CVD00436, Biennial Refit.

BACKGROUND

The Dartmouth III and the Halifax III were commissioned in 1978, and the Woodside I in 1987. These vessels provide service to 1.4 million customers annually on two routes and are an integral part of HRM's public transportation system, linking the bus system to the ferry system.

These vessels are strictly regulated by Transport Canada under the Marine Safety Act which directs the maintenance program through Ship Safety. Transport Canada inspects Metro Transit's ferry fleet on a biennial basis and a full underwater hull inspection every 3rd year. It is through these inspections that Transport Canada identifies the maintenance required to the vessel through the Marine Safety Act.

In the 2009/10 fiscal year, Metro Transit must carry out two mandated work requirements:

- Dry dock the Dartmouth III (1978) to have the seals to the Voith propellers replaced, new paint and some steel work as mandated through the 3 year inspection. This work can only be conducted while the vessel is out of the water on "dry dock".
- Woodside I (1987) is due for new engines. Currently the Woodside I is running its original engines and they have reached the end of their useful life. The engines have been rebuilt three times and now require total replacement due to continual service and the potential for metal fatigue from long years of service. These engines are 22 years old and average 3,500 hours per year and now have 80,000 service hours. To put this in context, a comparable service life on a conventional transit bus engine would be more than 4.0 million kilometres.

DISCUSSION

The annual Capital Budget approval process delays the re-fit schedule and forces Metro Transit to pull the ferries out of the water for repairs during the most in-opportune time of the year. Once the capital account is approved, it is usually September before the tender process is complete and work can begin. Typically the fall months represent the heaviest ridership months and the current process removes the vessels from service at this time. Metro Transit reduces the peak hour ferry service from 15 minute service to 30 minute service when the vessels are in refit. This is a substantial inconvenience to the travelling public and reduces the number of passengers using Transit as their transportation choice.

Pre-approving the funds for the 2009/10 fiscal year will allow Metro Transit to tender the ferry refits at the most opportune time of the year and reduce downtime of the ferry during peak service periods.

BUDGET IMPLICATIONS

Within the five year Capital Budget submitted to Council in 2008, \$470,000 was anticipated for refit costs in fiscal 2009/10. The additional funding will not be expensed until fiscal 2009/10, however, pre-approval is required in order to issue tenders in a more timely manner.

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. Approval of this report will increase the Capital budget.

ALTERNATIVES

The alternative is to wait for the normal budget approval process and Metro Transit will be forced to again tender for work to the vessels that will result in the removal of service during peak ridership season. This would result in an inconvenience to the travelling public and would also maximize revenue lost.

Failure to perform this work would contravene the Marine Safety Act resulting in the withdrawal of the vessels from service.

ATTACHMENTS

None.

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.

Report Prepared by: Eddie Robar, Manager Planning & Product Development, 490-6720

Report Approved by:



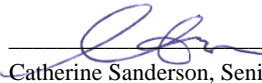
Patricia Soanes, General Manager Metro Transit, 490-6608

Report Approved by:



Paul Beauchamp, General Manager Fleet Services, 490-6604

Financial Approval by:



Catherine Sanderson, Senior Manager, Financial Services, 490-1562

Report Approved by:



Mike Labrecque, Director Transportation & Public Works, 490-4855