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Halifax, Nova Scotia
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Item No. 11.1.3
Halifax Regional Council
October 20, 2009

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in cursive script, appearing to read "Dan English".

Dan English, Chief Administrative Officer

A handwritten signature in cursive script, appearing to read "Wayne Anstey".

Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: September 30, 2009

SUBJECT: Capital Budget Increase to CBX01153 - Spencer House Upgrades

ORIGIN

This report originates from deficiencies found during the annual capital inspection of Spencer House. In accordance with the Halifax Regional Municipality Charter, any increases to the Capital Budget must be approved by Council.

RECOMMENDATION

It is recommended that Halifax Regional Council approve an increase to Capital Account CBX01153 - Facilities Upgrades General in the amount of \$18,773 with funding available from Reserve Account Q112, 5594-96 Morris Street. This amount is required to fund capital repairs as described in the discussion section of this report.

BACKGROUND

The property commonly known as Spencer House, 5594-96 Morris Street, currently houses the South End Community Day Care Center and the Spencer House Seniors Centre. This property is owned by HRM. Under the terms of the management agreement, the tenants are responsible for yearly operating expenses while the Municipality is responsible for major capital repairs. In 1988, the City of Halifax established Reserve Account Q112 for “future major maintenance and replacement of items” for 5594-96 Morris Street.

An annual capital inspection identified the need to replace the windows and repair the stonewall. In addition, inspections of the building identified several code deficiencies which require upgrading.

The award of this work will follow all Procurement guidelines and will commence upon Council’s approval of this report.

DISCUSSION

The following work is required at Spencer House:

Description of Work	Total Cost (including net HST)
Window Replacement	\$14,776.52
Stonewall Restoration	\$2,840.16
Required Code Upgrades	\$1156.28
Total	\$18,772.96

BUDGET IMPLICATIONS

Current annual rents for this facility totaling \$7,686 are deposited into the Reserve Account Q112.

Budget availability has been confirmed by Financial Services.

Budget Summary: Reserve Account No. Q112

Uncommitted Funds	\$75,693
Less: Transfer to CBX01153	<u>\$18,773</u>
Projected Balance March 31, 2009	\$56,920

The balance of funds will be used as required for future major maintenance and replacement of items.

**Budget Summary: Capital Account No. CBX01153 - Facilities Upgrades General
Res# 1758.2**

Cumulative Unspent Budget	\$ 0
Increase: Transfer from Q112	\$18,773
Less: Spencer House repairs	<u>\$18,773</u>
Balance	\$ 0

Any funds remaining from the Spencer House repairs will be returned to the Reserve.

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. If approved, there will be an increase to the Gross Capital Budget, but not the net and an increase to Reserve withdrawals.

ALTERNATIVES

Council can choose to not allow the use of the Reserve Account Q112. However, this work is required and these expenditures would have to be funded through Real Estate and Facility Services operating budget resulting in a budget over expenditure. This is **not** the recommended alternative.

ATTACHMENTS

N/A

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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Report Approved by: 
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Report Approved by: 
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