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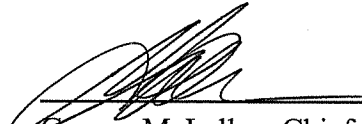


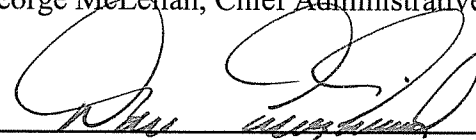
PO Box 1749  
Halifax, Nova Scotia  
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**Halifax Regional Council**  
**April 26, 2005**

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

**SUBMITTED BY:**

  
George McLellan, Chief Administrative Officer

  
Dan English, Deputy Chief Administrative Officer

**DATE:** April 8, 2005

**SUBJECT:** Reserve Business Case - Central Library Capital Campaign and Development

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**ORIGIN**

The Halifax Regional Library Board approved the following motion at the February 21, 2005 meeting.

**Moved by Councillor Hum and seconded by Ms. Lorna Crawley-Mulonani that the Board approve the establishment of a Reserve Account for the unanticipated Provincial Grant increases to be used to fund the Central Library Capital Campaign and Development of a Central Library. Motion to be placed on HRM Council agenda for approval. Motion Carried.**

**RECOMMENDATION**

It is recommended that:

1. Council approve the establishment of the Reserve Business Case - Central Library Capital Campaign and Development as attached.
2. Council approve the reserve budget for 2005/06 as contained in the attachment to the reserve business case.

## **BACKGROUND**

The grant increases are one-time-only grants made by the Provincial Department of Education that do not carry forward on the base grant. It has been agreed by staff that a Reserve Account be established to hold these funds for use in developing the Central Library Capital Campaign which was not funded in 2005-06 budget review. Any remaining funds will be used for the development of the Central Library, which was also not funded in budget review. The Reserve Account allows the Library to retain the funds for library use as intended by the Provincial Department of Education.

## **DISCUSSION**

The Halifax Regional Library Board awarded in 2004 a tender to Ketchum Canada for the Central Library Capital Campaign Feasibility Study. The study was funded by the HRM 2004/05 Capital Budget. The study was completed in early 2005 and confirms that the Halifax Regional Library has the positive image with the residents of HRM that will allow it to develop and launch a successful Capital Campaign.

## **BUDGET IMPLICATIONS**

The establishment of the Reserve for the Central Library Capital Campaign will provide a funding source that will not impact HRM Operating or Capital budgets. Use of these funds for this purpose was assumed as part of the 2005/06 proposed HRM budget.

## **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**

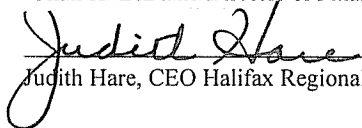
Council could decline to set up the reserve and transfer the funds. This is not recommended as the creation of the reserve is consistent with discussions during the 05/06 budget debate and provides the necessary funds to start the capital campaign for the central library.

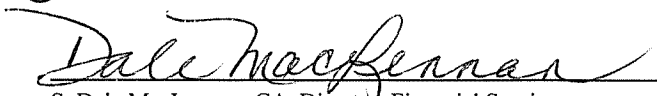
**ATTACHMENTS**

Reserve Business Case Central Library Capital Campaign and Development

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: Alan H. LeBlanc/Director of Finance, Halifax Regional Library 490-5867

Report Approved by:   
Judith Hare, CEO Halifax Regional Library 490-5868

  
S. Dale MacLennan, CA, Director, Financial Services

490-6308

# Reserves Business Case

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Halifax Regional Municipality • Corporate Services • Finance Division • 490-4446 • Fax: 490-4175

**Date:** April 8, 2005  
**Contact:** Judith Hare, CEO, Halifax Regional Library

## Central Library Capital Campaign and Development Operating Reserve

### Purpose:

The Reserve is established to fund development of the Central Library fundraising capital campaign.

### Source of Funds:

- Provincial grant increases paid to the Halifax Regional Library.
- Interest in accordance with the Reserve Policy.

The initial deposit to the Reserve will be approximately \$141,000 for 2004-05 and an additional sum of approximately \$156,000 for 2005-06 (final sum to be determined when Provincial budget is set).

### Application of Funds:

Funds will be expended for

- Capital campaign consulting expenses
- Capital campaign staff
- Development and printing of Capital Campaign materials
- Advertising and promotion
- Legal expenses for establishment of the Library Foundation
- Training, travel, etc for Capital Campaign staff
- Rental of Capital Campaign office space
- Any balance beyond campaign costs to be transferred to a capital project for architectural design fees, construction, materials, furniture and equipment for the

Central Library. Funds will be drawn as required and deposited as increases meeting the criteria are received. No minimum or maximum will be maintained.

**Time Line:**

The reserve is intended to be ongoing with annual review. Funds will be drawn beginning in 2005-06 for Capital Campaign expenses.

**Approval Process:**

Requests for expenditures from the reserve will be initiated and approved by the Halifax Regional Library Board and requisitioned by the Halifax Regional Library's Director of Finance, and must be accompanied by approval from the Director, Financial Services regarding compliance with the Reserve Business Case and Reserves Policy and availability of funds prior to Council approval.

**Attachments:**

- Cash Flow Projection - Central Library Capital Campaign Phase II

Project is in its early stages and a budget is not yet available for 2005-06. Phase II is the development of the fundraising campaign.

**Recommendation:**

It is recommended that the Reserve for the Central Library Capital Campaign be established and used to fund the development of the Central Library fundraising capital campaign and begin establishing funds for construction and resources.

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CAO

## Central Library Capital Campaign

Cash Flow Projection	Account #	04/05	05/06	06/07	07/08	08/09	09/10
<b>Opening Balance</b>		141,000	141,000	165,173	18,889	19,314	19,748
Interest *	4850		3,173	3,716	425	435	444
Transfers from Operating	8031	141,000	156,000				
Transfers to Operating ***	8030		-135,000 **	-150,000			
<b>Closing Balance</b>		141,000	165,173	18,889	19,314	19,748	20,193

\* Interest rate assumed to be 2.25%

\*\*Transfers to operating have been estimated to reflect contract with Ketchum Canada and campaign staffing, legal and advertising.

\*\*\* Operating Budget costs are estimates only at this time.