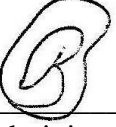



**Item No. 10.1.4**  
**Halifax Regional Council**  
**June 7, 2011**

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

**SUBMITTED BY:** Original signed by   
Richard Butts, Chief Administrative Officer

Original Signed by   
Mike Labrecque, Deputy Chief Administrative Officer, Operations

**DATE:** May 4, 2011

**SUBJECT:** Porters Lake Recreation Centre – Furniture, Fixtures and Equipment

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**ORIGIN**

Council approved the construction of a partnership build for a new recreation centre in Porters Lake (January 26, 2010: Porters Lake Community Centre / School Partnership), and approved the funding formula for the project to be partial HRM General Tax Rate, and partial District 3 Area Rate (May 11, 2010: Reinstatement of District 3 Capital Area Rate).

**RECOMMENDATION**

It is recommended that Halifax Regional Council approve an increase to Project #CBX01282 - Porter's Lake Community Centre by \$125,000 for the purchase of Furniture, Fixtures, and Equipment (FF&E), and that the required funding be provided from the existing District 3 Capital Area Rate.

**BACKGROUND**

On January 26, 2010, Regional Council approved entering into a joint project with the Province to add a community centre component to the new Lakeview Elementary School, and the reallocation of \$1.65 million from the 2010-11 Operating Budget to fund 50% of the cost of construction. Council also directed staff to initiate a public consultation process to determine the appropriate catchment area for an area rate to fund the remaining 50% of the project.

On May 11, 2010, Regional Council approved the reinstatement of the District 3 Capital Area Rate for this purpose, and set the rate at the previous amount of \$0.024 per \$100 of taxable assessment to be applied to the residential, resource, commercial and business occupancy assessment within the Rural Tax area of District 3 as the boundaries existed prior to the District Boundary Review in 2004. Council also specified that the term of the area rate not exceed 10 years unless other projects were approved to be funded from the area rate prior to the end of the term. At the same time, Council approved an additional \$600,000 from the area rate for the project. The current funding breakdown for the project is as follows:

**Funding Sources:**

Operating Budget – General Tax Rate:	\$ 1.65 million
District 3 Capital Area Rate:	<u>\$ 2.25 million</u>
Total Funding & Project Cost:	<u><u>\$ 3.90 million</u></u>

With construction nearing completion, there is now a requirement for additional funding to purchase furniture, fixtures and equipment for the new community centre. The equipment requirements for the facility were not included as part of the original approval, as the information was not available at the time. The community board has now confirmed their equipment requirements. A listing of the requirements is included as Attachment 1 to this report.

**DISCUSSION**

At the time reinstatement of the District 3 Capital Area Rate was recommended to Council, staff completed cash flow projections and determined that sufficient area rate revenue would be obtained from the area rate in 10 years to cover the \$2.25 million contribution required for the project plus interest. In fact, it was likely that the area rate could be reduced substantially in the tenth year. Assuming an average annual growth rate in the assessment base of 4.0%, it is possible that the area rate could be reduced to as low as \$0.005 per \$100 of taxable assessment in year ten. However, Council did not approve a reduction to the area rate in year ten. This was done as a contingency for cost over-runs on this project, as well as the possibility that other projects could be approved for funding from this area rate before the term ended. In any event, staff annually review the cash flow projections for term area rates used to fund the cost of projects, and reduce or eliminate any area rate from which sufficient funds have been obtained to cover the cost of a project.

If Council approves increasing the funding for this project from the area rate by an additional \$125,000, the area rate would not be reduced as outlined above by as much in the tenth year. It

is estimated that it would be reduced to about \$0.016 instead of \$0.005 per \$100 of taxable assessment. This is in keeping with the original approval for the area rate in that it was not to exceed a term of ten years. Therefore, no change to the amount or term of the area rate is required to provide the additional funding requested in this report.

### **BUDGET IMPLICATIONS**

The budget availability has been confirmed by Financial Services.

Budget Summary: Project No. CBX01282, Porter's Lake Community Centre

Cumulative Unspent Budget	\$3,900,000
Plus: Increase to Area Rate	<u>125,000</u>
Balance	\$4,025,000

Because the additional funding required is being provided entirely from the existing District 3 Capital Area Rate, there are no net implications to the Approved Operating and Project Budget funded from the general tax rates. As well, there is no impact to the amount or term of the District 3 Capital Area Rate.

### **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation. If approved this will result in an increase to the gross project budget, but not the net.

### **COMMUNITY ENGAGEMENT**

Community Engagement for this project has taken place as outlined in the staff report dated May 11, 2010 "Reinstatement of District 3 Capital Area Rate". To summarize, consultation included the mass mail-out of an information letter to all residents of the rural area of District 3, and a public meeting in the community which took place April 22, 2010.

### **ALTERNATIVES**

Regional Council could decline the request for additional funding outlined in this report. This is not recommended as there is sufficient funding available from the District 3 Capital Area Rate without changing the amount or term of the area rate as previously approved by Council. Also, an alternate source of funding has not been identified.

### **ATTACHMENTS**

Attachment 1: Fixtures, Furniture and Equipment Requirement for Porters Lake Recreation Centre

**Porters Lake Recreation Centre  
Additional Area Rate Expenditure  
Council Report**

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**June 7, 2011**

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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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For Bruce Fisher, MPA, CMA, A/Director of Finance/CFO, 490-6308

Report Approved by: \_\_\_\_\_  
Mike Labrecque, A/Director, Community Development

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**Attachment 1**

**Furniture, Fixtures & Equipment Requirement for Porter's Lake Recreation Centre**

Cost Estimate

**Signage**

Internal Signage

4 rooms for wall signage (\$75.00 each) = \$300.00

One internal wall mounted directional sign = \$197.80

External Signage

Building attached sign = \$3762.00

Electronic Freestanding external sign = \$55,000.00

\$60,000.00

**Music System**

\$2,000.00

Rack Mounted wireless head set system with cd player/mp3 speakers etc.

**Tables, chairs, storage for multi purpose room**

\$8,000.00

**AV**

\$10,000.00

LCD Projectors x 2

Smart boards x 2

TV/DVD/VHS combo with cart

Video information display monitor (like NPCC) installed/taxes

**Office Equipment**

\$6,000.00

**Sports Equipment**

\$30,000.00

**Contingency**

\$9,000.00

**TOTAL INCLUDING HST**

\$125,000.00