

**Item No. 11.1.2**  
**Halifax Regional Council**  
**November 15, 2011**

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

Original Signed

**SUBMITTED BY:** \_\_\_\_\_  
Judith Hare, CEO, Halifax Public Libraries

**DATE:** October 24, 2011

**SUBJECT:** Central Library Capital Campaign

---

**ORIGIN**

The Central Library Funding Strategy was approved by Regional Council on March 30, 2010. The strategy included a requirement for the Halifax Regional Library Board to contribute \$1,700,000 from fundraising towards construction costs. The Halifax Regional Library Board now requires to draw on previously deposited funds from reserve account Q318, established in 2005, for a capital fundraising campaign.

**RECOMMENDATION**

It is recommended that Halifax Regional Council approve:

An increase to the Library Operating Budget, Cost Centre B011 6999, in the amount of \$275,000 with funding as a withdrawal from Central Library Capital Campaign and Development Operating Reserve Q318 in fiscal year 2011-12 to fund the Central Library Capital Campaign.

## **BACKGROUND**

Council approved transfer of increased funds from the provincial library grant to the Central Library Capital Campaign Reserve Account (Q318), anticipating the need to fund a capital fundraising campaign. The current account balance in Q318 is \$ 2,057,125, which is comprised of \$643,158 to be used for the capital campaign and \$1,413,967 to be used as a contribution towards the Central Library Capital Project.

It was noted in the Central Library Funding Strategy that during the design and construction phases, the Library would transfer funds from the reserve to fund capital campaign expenses to achieve a fundraising target of \$1,700,000. Additional fundraising will continue for expansion of the materials collection since collection costs are not eligible for cost sharing under the Building Canada fund.

In 2006, the Halifax Regional Library Board contracted with fundraising consultants for a fundraising Feasibility Study and explored potential donor sources. The Board has formed a Capital Campaign Steering Committee and recruited individuals from the corporate sector to lead a successful campaign. The campaign will include major gifts as well as a community campaign.

## **DISCUSSION**

The Reserves Business Case approved by Regional Council in 2005 states that the reserve is intended to be ongoing with annual review. Funds will be drawn as required and no minimum or maximum balance will be maintained.

The approval process states:

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

The Reserves Business Case states that funds may be expended for the following purpose:

- 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 is to be transferred to a library 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.

The proposed budget for the capital fundraising campaign in 2011-12 is as follows:

Capital Campaign consulting	\$ 100,000
Capital Campaign staff	\$ 125,000
Printing	\$ 25,000
Advertising and promotion	\$ 10,000
Legal expenses	\$ 10,000
Training, travel and office supplies	\$ 5,000
Total	\$ 275,000

The indicated funding requirements for the specific purposes listed above are estimated and represent the upset limit.

Budgets for the capital fundraising campaign or for funding the capital project for the Central Library will be submitted in succeeding years until project completion.

### **BUDGET IMPLICATIONS**

The fundraising target remains at \$1,700,000 and is not reduced or impacted by this expenditure.

Based on the proposed budget for the capital fundraising campaign (which is the focus of this report) in the amount of \$275,000 (Net HST included), funding is available from Reserve Account No. Q318: Central Library Capital Campaign and Development Operating Reserve. The budget availability has been confirmed by Financial Services.

As the indicated funding requirements listed above are an estimate and the requested funds are an upset limit, funds will be returned to the Reserve Account if they are not required for the stated purpose by March 31, 2012 when operating budgets close at year end.

**Budget Summary:**

**Reserve Account No. Q318 to Sept 30/11:**

	<b>Capital Fundraising Campaign</b>	<b>Central Library Capital Project *</b>	<b>TOTAL</b>
Cumulative Unspent Budget	643,158	1,413,967	2,057,125
Appropriated for Central Library Construction		-1,700,000	-1,700,000
Capital Fundraising Campaign	-275,000		-275,000
Balance remaining	368,158	-286,033	82,125

- In addition to the \$1,700,000 targeted to be raised through the fundraising campaign, the Library will also contribute \$1,700,000 to the construction of the new Central Library. The Library has agreed to transfer this from its operating budget over a 3 year period. To date, \$1,391,200 in contributions and \$22,767 of interest earned has been allocated for this purpose.

**Reserve Summary – Projections to March 31, 2012**

Projected Available balance in Reserve by March 31, 2012	\$ 720,015
(Available = balance – previous commitments + pending Revenue)	
Less Capital Fundraising Campaign Request	<u>(\$275,000)</u>
New Projected Balance, March 31, 2012	\$445,015

**FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Project budget, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation. If approved, the gross operating budget will increase, but not the net. Also, 2011/12 Reserve withdrawals will increase by \$275,000.

**COMMUNITY ENGAGEMENT**

The Central Library Capital Campaign will include a community engagement and awareness program.

**ALTERNATIVES**

There are no alternatives.

**ATTACHMENTS**

**Q318 – Central Library Capital Campaign and Development Operating Reserve Business Case**

---

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: Judith Hare, CEO, Halifax Public Libraries, 490-5868

Report Approved by: \_\_\_\_\_  
Philip Moscovitch, Chair, Halifax Regional Library Board, 490-5744

Financial Approval by: \_\_\_\_\_  
James Cooke, CGA, Director of Finance/CFO, 490-6308

---

# Reserves Business Case

---

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** **Q318**

### **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.

---

**CAO**