


Item No. 11.1.3
Halifax Regional Council
May 22, 2012

TO: Mayor Kelly and Members of Halifax Regional Council

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

Ken Reashor, Acting Deputy Chief Administrative Officer

DATE: April 25, 2012

SUBJECT: Case 01298: Extension of Central Water Service to Giles Drive,
Bedford – LIC By-Law L-136

ORIGIN

August 2, 2011:

Regional Council, following a Public Hearing on this matter:

- (a) Approved LIC By-Law L-133, setting the charges for the installation of central water servicing on a portion of Giles Drive, Bedford;
- (b) Approved in principle the project budget for the Giles Drive water Servicing Project in the amount of \$150,000, including net HST, with \$50,000 to be provided by west Bedford Holdings Ltd., and \$50,000 from Operating Cost Centre M421, with the net residual amount funded from a Local Improvement Charge as per By-Law L-133;
- (c) Approved an amendment to the Regional Subdivision By-Law to extend the Water Service Area Boundary to include properties on Giles Drive, Bedford.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Give First Reading and set a Public Hearing date to consider repealing LIC By-Law L-133, which amended By-Law L-100, and replacing it with By-Law L-136 to increase the interim charge to be levied on each of the five recipient properties from \$10,000 to \$13,588, as presented in Attachment A of this report; and
2. Increase Project No. CTU01006 – Roadway Oversizing Bedford West, by \$200,440 with funding from the developer contribution, Halifax Water Stewardship Fund, local improvement charge and M421, as outlined in the Budget Implications section of this report.

BACKGROUND

Following the August 2, 2011, public hearing, Halifax Water coordinated the detailed design for the water service project and prepared the tender documents. The estimated cost for the work was \$150,000, to be funded as follows:

- \$50,000 contribution from west Bedford Holdings Ltd.
- \$50,000 from Operating Account M421
- \$50,000 LIC interim charge to be divided equally among each of the five subject properties

Upon completion of the tendering process in October 2011, the low bid tender, including contingency, project administration, inspection, design, financing and net HST, amounted to \$227,347. Included in this amount is \$12,284 for drainage improvements, which will be funded from Project No. CTU01006 – Roadway Oversizing Bedford West. This left a funding shortfall of \$65,063.

Since that time, staff of HRM and Halifax Water has sought out opportunities to reduce the shortfall. The end result of these efforts has resulted in the following savings:

- | | |
|--|-----------------|
| • Reductions in contingency and project admin./inspection/HST
(lowers estimated project costs to \$212,724) | \$14,623 |
| • Stewardship Fund contribution from Halifax Water | \$12,500 |
| • Increase on contribution from West Bedford Holdings Ltd. | <u>\$20,000</u> |
| Total Savings | \$47,123 |

Given these cost reductions, the revised funding shortfall for the project is now \$17,940.

DISCUSSION

As per Council's LIC administrative policy and LIC By-Law, the property owners are responsible for paying any funding shortfall between the estimated cost of the project and the final cost of the project. An excerpt from the staff Supplementary Report dated June 1, 2011, states the following:

“Once the tender prices for the work are received, should the cost of the successful tender exceed staff's estimate (\$150,000) by more than 10%, staff will consult with the property owners as to their acceptance of the increased LIC amount. It is also noted that the LIC amount indicated in By-Law L-133 (Attachment A) is an “interim” amount, meaning that property owners will be responsible for equally paying for the total final cost of the project including any amount in excess of the estimated \$150,000 project cost.”

On April 16, 2012, HRM staff and the District Councilor met with four of the five property owners to provide an update on the status of the project and funding shortfall. All property owners indicated that, given the hardships they have had to endure over the past number of years

regarding water issues, traffic and drainage issues, they are *not* prepared to accept any additional LIC charges for the work.

This presents a rather difficult situation; however, as per Council's procedures concerning LICs, staff recommends that the funding shortfall be addressed by way of an increase to the interim charge to be levied on the five property owners, from the currently-approved \$10,000 per property to \$13,588 per property.

As mentioned above, drainage improvements are proposed to be carried out in this contract funded from Project No. CTU01006 – Roadway Oversizing Bedford West, which includes Phase 2 of the Hammonds Plains Road widening project. Additional funds are also available in this account sufficient to make up the funding shortfall for the water servicing project. Although not directly related to the water quality issues being experienced by the residents, the Hammonds Plains Road Widening project necessitated using Giles Drive as the detour route during construction.

BUDGET IMPLICATIONS

The revised estimated project cost is \$212,724, of which \$150,440 will be funded from external sources, summarized as follows:

External Funds

Developer Contribution	\$ 70,000
Halifax Water Stewardship Fund	\$ 12,500
Local Improvement Charge	<u>\$ 67,940</u>
Sub-total – External Funds	\$ 150,440

A further \$50,000 was identified in the August 2, 2011, report to come from fiscal account M421 – Service Improvement Reserve. The budget availability has been confirmed by Financial Services.

Budget Summary:

Project No. CTU01006 – Roadway Oversizing Bedford West

Cumulative Unspent Budget	\$ 2,806,143
Add: Developer Contribution	\$ 70,000
Add: Halifax Water Stewardship Fund	\$ 12,500
Add: Local Improvement Charge	\$ 67,940
Add: M421	\$ 50,000
Less: Giles Drive water Servicing Project	\$ 200,440
Less: Drainage Improvements	<u>\$ 12,284</u>
Balance	\$ 2,793,859

The remaining balance in the account will be used for other road oversizing projects in the Bedford West area as per the Capital Cost Charge agreement.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating budget, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation. If approved, this report will increase the gross Project budget by \$200,440, with no change to the net Project budget.

COMMUNITY ENGAGEMENT

As per the Supplementary Report, dated June 1, 2011, staff met with the Giles Drive residents in April 2012, to ascertain whether or not they would be willing to fund the project cost shortfall through an increase to the LIC.

ENVIRONMENTAL IMPLICATIONS

Funding this project will improve drinking water quality for the residents of Giles Road as articulated in the discussion section of this report.

ALTERNATIVES

Regional Council may choose to allocate additional funds from Project No. CTU01006 – Roadway Oversizing Bedford West, in order to resolve the funding shortfall for the Giles Drive servicing project. Funding from this account would need to increase from \$12,284 to \$30,224, and there would be no need to repeal LIC By-Law L-133.

ATTACHMENTS

Proposed By-Law L-136

**Case 01298: Extension of Central
Water Service to Giles Drive, Bedford
Council Report**

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May 22, 2012

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.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: Roger Wells, Supervisor, Community Planning, 490-4373

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Financial Approval by: _____
Greg Keefe, Director of Finance & Information Technology/CFO, 490-6308

Report Approved by: _____
Peter Stickings, Acting Director, Planning & Infrastructure, 490-7129

Original Signed

Attachment A

HALIFAX REGIONAL MUNICIPALITY BY-LAW L-136 RESPECTING CHARGES FOR LOCAL IMPROVEMENT PROJECTS

Be It Enacted that Council for the Halifax Regional Municipality that the By-Law L-100, the Local Improvement By-Law, be amended as follows:

1. Schedule "A" of By-Law L-100 is further amended by adding the following:
 - (a) The Giles Drive, Bedford, Water Servicing Project is a project to install a public water system in the area, known as the Servicing Area, as shown on the attached Map A.
 - (b) The Project entails the installation of the Water Lateral Service from the public supply main to the foundation of each home located within the Servicing Area. The Project does not include the conversion of the home plumbing system from the well to the piped system.
 - (c) The estimated cost for the Project is \$212,724 with \$70,000 to be provided from West Bedford Holdings Ltd., \$50,000 from Operating cost centre M421, with the net residual amount to be funded from a Local Improvement Charge as described in (d).
 - (d) An interim charge of \$13,588 per lot, less any other external funding not referred to in (c), shall be levied on all parcels shown within the Servicing Area which includes the following parcels:

PID# 00417980	PID# 00419622	PID# 40098543
PID# 00419606	PID# 00419655	
 - (e) The final charge applied in clause (d) shall be calculated following the completion of the work, based on the actual cost of the project.
 - (f) By-law 133, amending By-law L-100, is hereby repealed.

Done and passed By Council on this day of , 2011.

MAYOR

MUNICIPAL CLERK

I, _____, Municipal Clerk for the Halifax Regional Municipality, hereby certify that the above noted By-Law was passed at a meeting of Halifax Regional Council held on _____, 2011.

Municipal Clerk