



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 10.2.1
Halifax Regional Council
April 23, 2013

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original signed
Councillor Bill Karsten, Chair, Audit and Finance Standing Committee

DATE: April 8, 2013

SUBJECT: Midlife Bus Rebuild Funding

ORIGIN

The Audit and Finance Standing Committee meeting of April 3, 2013.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Council approved, Dec 11, 2012, that all budget increases are to be presented to the Audit and Finance Standing Committee, prior to submission to Council.

RECOMMENDATION

The Audit and Finance Standing Committee recommends that Halifax Regional Council approve an increase to Project No. CVD00431 - Midlife Bus Rebuild by \$350,000 with a corresponding decrease to Project No. CVD00435 - Conventional Bus Replacement by \$300,000, and a decrease to Project No. CVD00434 - Conventional Bus Expansion by \$50,000 as outlined in the Financial Implications section of the March 13, 2013 staff report.

BACKGROUND

At its April 3, 2013 meeting, the Audit and Finance Standing Committee received the staff report, dated March 13, 2013.

DISCUSSION

At its April 3, 2013 meeting, the Audit and Finance Standing Committee approved the recommendation contained in the staff report dated March 13, 2013 to Halifax Regional Council.

FINANCIAL IMPLICATIONS

The financial implications are as outlined in the staff report, dated March 13, 2013.

COMMUNITY ENGAGEMENT

All meetings of the Audit and Finance Standing Committee are open to the public and agendas, reports and minutes are posted on the web in advance of meetings.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

ALTERNATIVES

The alternatives are as outlined in the staff report, dated March 13, 2013.

ATTACHMENTS

- 1. Midlife Bus Rebuild Funding, staff report dated March 13, 2013**

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: Matt Godwin, Legislative Assistant; 490-6521



P.O. Box 1749
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Attachment 1

Item No.
Audit & Finance Standing Committee
April 3, 2013

TO: Chair and Members of Audit & Finance Standing Committee

Original Signed

SUBMITTED BY: _____
Eddie Robar, Director, Metro Transit

DATE: March 13, 2013

SUBJECT: **Midlife Bus Rebuild Funding**

ORIGIN

Approved 12/13 Project Budget

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79 Halifax Regional Council may expend money for municipal purposes.

RECOMMENDATION

It is recommended that the Audit and Finance Committee recommend that Halifax Regional Council approve an increase to Project No. CVD00431 - Midlife Bus Rebuild by \$350,000 with a corresponding decrease to Project No. CVD00435 – Conventional Bus Replacement by \$300,000, and a decrease to Project No. CVD00434 – Conventional Bus Expansion by \$50,000 as outlined in the Financial Implications section of this report.

BACKGROUND

Project No. CVD00431 - Midlife Bus Rebuild is used by Metro Transit Bus Maintenance. The goal of the bus rebuild program is to extend the productive useful life of a conventional bus from 14 years to 20 years.

In order to achieve this, a midlife rebuild/refurbish is completed at year 12. The benefits to the bus rebuild are improved safety, corporate image and reliability, decreased downtime and improved compliance to Utility and Review Board (UARB) legislative requirements.

The tasks involved with this project are to rebuild the engine, transmission and differential, replace the corroded structural components and paint the entire bus.

DISCUSSION

The costs related to the Midlife Bus Rebuild are initially charged to Metro Transit Operating account R935 and subsequently settled to Project No. CVD00431. The costs are settled to a project account in order to properly account for the value of the asset as per HRM's Tangible Capital Asset Policy.

The 12/13 approved project budget for CVD00431 was \$65,000. This budget is insufficient for the annual costs charged to this project.

FINANCIAL IMPLICATIONS

The budget availability has been confirmed by Finance.

Budget Summary: Project No. CVD00431 – Midlife Bus Rebuild

Cumulative Unspent Budget	\$ 924.11
Add: Transfer	<u>\$ 350,000.00</u>
New Balance	\$ 350,924.11

Budget Summary: Project No. CVD00435 – Conventional Bus Replacement

Cumulative Unspent Budget	\$ 406,914.25
Less: Transfer	<u>\$ 300,000.00</u>
New Balance	\$ 106,914.25

Budget Summary: Project No. CVD00434 – Conventional Bus Expansion

Cumulative Unspent Budget	\$ 343,455.32
Less: Transfer	<u>\$ 50,000.00</u>
New Balance	\$ 293,455.32

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications.

ALTERNATIVES

The Audit and Finance Standing Committee could deny this recommendation, however, this is not recommended as it will be in conflict with the Tangible Capital Asset Policy.

ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/SCfinance/index.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: Kimberley Cusack, 490-6624

Original Signed

Report Approved by:

Mike Hartlen, Acting Manager, Bus Maintenance, 490-6707

Original Signed

Financial Approval by:

Greg Keefe, Director of Finance & Information Technology/CFO, 490-6308
