

TO: Mayor Savage and Members of Halifax Regional Council

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

DATE: April 17, 2014

SUBJECT: Facility Development Project Funding

ORIGIN

April 16, 2014 meeting of the Audit and Finance Standing Committee, Item No. 9.1.4

LEGISLATIVE AUTHORITY

Audit & Finance Standing Committee Terms of Reference section 3.8, which states “to review and make recommendations on proposals coming to Halifax Regional Council outside of the annual budget or tender process including but not limited to:

- New Programs or services not yet approved
- Programs or services that are being substantially altered
- Proposed changes in operating or budget items
- Committing of funds where there is insufficient approved budget, or,
- New or increased capital projects not included in the approved budget
- Increases in project budget due to cost sharing
- Creation or modification of reserves and withdrawals not approved in the approved budget

HRM Charter, Section 79, which “states that Halifax Regional Council may expend money for municipal purposes”.

RECOMMENDATION

The Audit & Finance Standing Committee recommends Halifax Regional Council approve the following project budget increases:

Recommendation continued on Page 2

1. CBX01154, Accessibility – HRM Facilities, for 2014/15 in the amount of \$125,000, with funding from Cappool, as per the Financial Implications section of the staff report dated February 21, 2014;
2. CB000026, Dartmouth Ferry Terminal Building Renewal, for 2014/15 in the amount of \$520,000, with funding from Cappool, as per the Financial Implications section of the staff report dated February 21, 2014; and
3. CBX01046, City Hall and Grand Parade Renewal, for 2014/15 in the amount of \$600,000, with funding from Crespool, as per the Financial Implications section of the staff report dated February 21, 2014.

BACKGROUND

Over the last few months, Facility Development has performed an extensive review of existing accounts and reduced or closed projects that were no longer required. This resulted in a transfer of funds to Crespool/Cappool of approximately \$1.1M. Facility Development would like to transfer these funds to the projects detailed in the discussion section of the February 21, 2014 staff report (attachment 1).

The need for these funding increases was identified by Facility Development in early 2014; however, it was past the deadline in the project budget process to have these items added to the 2014/15 budget request.

DISCUSSION

Staff responded to questions from members of the Committee pertaining to projects requiring increases in funding. The Audit & Finance Standing Committee having reviewed this matter have forwarded the recommendation to Regional Council as outlined in this report.

FINANCIAL IMPLICATIONS

As outlined in the staff report dated February 21, 2014

COMMUNITY ENGAGEMENT

All meetings of the Audit & Finance Standing Committee are open to the public. Agendas and reports are posted online prior to the meeting.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

ALTERNATIVES

No alternatives were discussed by the Audit & Finance Standing Committee

ATTACHMENTS

1. Staff report dated February 21, 2014

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: Liam MacSween, Legislative Assistant, 490-6521

Attachment 1

Audit & Finance Standing Committee
April 16, 2014

TO: Chair and Members of Audit & Finance Standing Committee

Original Signed

SUBMITTED BY: _____
Peter Stickings, Acting Director, Planning & Infrastructure

DATE: February 21, 2014

SUBJECT: **Facility Development Project Funding**

ORIGIN

Reallocation of residual funding from closed or reduced projects.

LEGISLATIVE AUTHORITY

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

RECOMMENDATION

It is recommended that Audit and Finance Standing Committee recommend Regional Council approve the following project budget increases:

1. CBX01154, Accessibility – HRM Facilities, for 2014/15 in the amount of \$125,000, with funding from Cappool, as per the Financial Implications section of this report;
2. CB000026, Dartmouth Ferry Terminal Building Renewal, for 2014/15 in the amount of \$520,000, with funding from Cappool, as per the Financial Implications section of this report; and
3. CBX01046, City Hall and Grand Parade Renewal, for 2014/15 in the amount of \$600,000, with funding from Crespool, as per the Financial Implications section of this report.

BACKGROUND

Over the last few months, Facility Development has performed an extensive review of existing accounts and reduced or closed projects that were no longer required. This resulted in a transfer of funds to Crespool/Cappool of approximately \$1.1M. Facility Development would like to transfer these funds to the projects detailed in the discussion section of this report.

The need for these funding increases was identified by Facility Development in early 2014; however, it was past the deadline in the project budget process to have these items added to the 2014/15 budget request.

DISCUSSION

Funding to Accessibility – HRM Facilities, Project No. CBX01154

The City Hall Elevator, the Albro Lake Washroom, and the Chocolate Lake Washroom are all ongoing projects under the Accessibility account which have encountered unexpected overages.

The washroom facilities projects have extra costs mostly related to additional rock breaking, requiring the identification of \$140,000 (net HST included) of funding. This is an 8.9% increase over the original contract value.

The elevator project uncovered additional work required related to the shaft construction. This included rock breaking at the bottom of the shaft and uncovering unpredictable structures requiring alteration or remedy additional cost of approximately \$28,000.

Currently, Project No. CBX01154 has \$43,144 in reservations available to address completion of the outstanding work for both projects. This is insufficient, as there is approximately \$168,000 of project extras anticipated.

Creation of Dartmouth Ferry Terminal Building Renewal Project No. CB000026

Work is currently underway at 88 Alderney for the renovation of the Dartmouth Ferry Terminal interiors, construction of new washrooms on Level 1 and the creation of new office space on Level 2. The entire project cost is \$2,240,000 and completion planned for June 2014. These upgrades will refresh the Dartmouth Ferry Terminal and help consolidate Planning & Infrastructure staff in one office location covering Level 2 and Level 3. Based on the scope of the combined projects, it is recommended that a dedicated account for Dartmouth Ferry Terminal upgrades be created to keep Transit and non-Transit items separated.

Funding to City Hall and Grand Parade Renewal Project No. CBX01046

In January 2012, GF Duffus & Co Architects Ltd and Vollick McKee Petersman and Associates delivered a Conservation Plan for the Grand Parade. Additionally, Staff are in the development of a five year capital renewal program for the City Hall Building, including: renovations of the

Councillors' Offices (and Support Staff), ventilation improvements, and renovations in the Mayor's Support Staff Offices approximate cost of \$600,000.

FINANCIAL IMPLICATIONS

Funding is available in Crespool/Cappool from closure and reduction of multiple Project Budgets. Budget availability has been confirmed by Finance.

Budget Summary: Project No. CBX01154 – Accessibility – HRM Facilities

Cumulative Unspent Budget	\$ 99,479.82
Add: Budget Transfer	<u>\$ 125,000.00</u>
Balance	\$ 224,479.82

**Project No. CB000026 – Dartmouth Ferry Terminal Building
Renewal**

Cumulative Unspent Budget	\$ 0.00
Add: Budget Transfer	<u>\$ 520,000.00</u>
Balance	\$ 520,000.00

Project No. CBX01046 – Halifax City Hall & Grand Parade Renewal

Cumulative Unspent Budget	\$ 74,481.42
Add: Budget Transfer	<u>\$ 600,000.00</u>
Balance	\$ 674,481.42

COMMUNITY ENGAGEMENT

None

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

Committee or Regional Council may choose to direct staff not to use this source of funding to complete the Accessibility and Dartmouth Ferry Terminal Projects and seek other solutions. They may also choose to allocate available funds to other municipal needs. This is not recommended as funds are required to complete active projects.

ATTACHMENTS

Appendix A

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: Richard MacLellan, Acting Manager, Facility Development, 233-4846

Original Signed

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

APPENDIX A

Project Closures

Project	Title	Value
CPX01194	Regional Washroom Upgrades	6,646.05
CPX01015	Mainland Common Development	147,559.71
CPX01179	Athletic Field/Park Equipment	10,996.35
CPX01186	New Sports Court Development	2,260.50
CPX01189	Outdoor/Spray Pools & Fountains	62,911.88
CPX01184	Lawn Bowling Facilities	18,190.11
CPX01230	Dingle Tower Restoration	6,235.10
CBX01151	All Buildings Program	92,044.16
CBX01155	200 Ilsley Ave Safety Upgrades	4,865.73
CBX01156	Various Recreation Facilities	38,487.35
CBX01158	Arena Upgrades	65,179.16
CBX01166	Management Agreements - Community Centres	36,138.36
	Total	491,514.46

Project Reductions

Source Project	Title	Value
CBX01169	HRM Admin Blds (Reservation 1731.1)	69,650.80
CBX01269	Mechanical (Category 6) (Reservation 1915.1)	100,000.00
CBX01273	Architecture Interiors (Reservation 1914.23 (Category 5) (Requisition 2050566543)	376,855.20
CBX01275	Electrical (Category 7) (Reservation 1908.15)	83,170.56
		629,676.56

Total Closures and Reductions

1,121,191.02