



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

Item No. 11.2.2
Halifax Regional Council
April 14, 2015

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY: _____
Councillor Bill Karsten, Chair, Audit & Finance Standing Committee

DATE: April 1, 2015

SUBJECT: Budget Increase – CE020001 – Police Services Replacement Equipment

ORIGIN

March 27, 2015 meeting of the Audit & Finance Standing Committee, Item No. 12.1

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

RECOMMENDATION

It is recommended by the Audit & Finance Standing Committee that Halifax Regional Council approve an increase to new Project Account CE020001 - Police Services Replacement Equipment in the amount of \$671,200 with funding from the approved Halifax Regional Police (HRP) 2014/15 Operating budget with no net change to HRP's Operating Surplus/Deficit.

BACKGROUND

A staff report pertaining to a budget increase to Account CE020001 – Police Services Replacement Equipment dated March 13, 2015 was before the Audit & Finance Standing Committee.

For further information please refer to the staff report dated March 13, 2015

DISCUSSION

The Audit & Finance Standing Committee reviewed this matter at its meeting held on March 27, 2015 and forwarded the recommendation to Halifax Regional Council as outlined in this report.

FINANCIAL IMPLICATIONS

As outlined in the attached staff report dated March 13, 2015

COMMUNITY ENGAGEMENT

All meetings of the Audit & Finance Standing Committee are open to the public. The agenda and reports are provided online in advance of the meeting.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

ALTERNATIVES

The Audit & Finance Standing Committee did not discuss alternatives.

ATTACHMENTS

1. Staff report dated March 13, 2015.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Liam MacSween, Legislative Assistant, 902.490.6521



P.O. Box 1749
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Attachment 1
Audit & Finance Standing Committee
March 27, 2015

TO: Chair and Members of Audit & Finance Standing Committee

Original Signed

SUBMITTED BY: _____
Richard Butts, Chief Administrative Officer

Original Signed

Jean-Michel Blais, Chief of Police, Halifax Regional Police

DATE: March 13, 2015

SUBJECT: Budget Increase – CE020001 - Police Services Replacement Equipment

ORIGIN

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.

Halifax Charter, section 93(1) - The Council shall make estimates of the sums that are required by the Municipality for the fiscal year; Halifax Charter, section 79(1) - Specifies areas that the Council may expend money required by the Municipality; Halifax Charter, section 35(2)(d)(i) - The CAO can only authorize budgeted expenditures or within the amount determined by Council by policy; Halifax Charter, section 120(6) - The Municipality may maintain other reserve funds for such purposes as the Council may determine; Halifax Regional Municipality policy on Changes to Cost Sharing for Capital Projects - Changes requiring Council approval; and the Halifax Regional Municipality Reserve Policy - No reserve funds will be expended without the CAO's recommendation and Council approval.

Halifax Regional Municipality Council approved, February 22nd, 1996, the establishment of the Board of Police Commissioners to provide civilian governance in regards to strategic policy planning and policy driven budget planning for police service delivery within the communities serviced by Halifax Regional Police....

By-Law P-100, section 8 (2) The Board in accordance with the *Police Act* and HRM Bylaws may carry out any of the following roles and responsibilities: (e) prepare and submit in consultation with the Chief of Police and the Chief Administrative Officer or delegate, to Council an annual budget for the municipal police service. The municipal council shall only exercise global budget approval and shall only accept the police service budget submitted to it by the board or refer back to the board with instructions that it be altered upward or downward by a specific dollar amount or percentage.

RECOMMENDATION

It is recommended that the Audit and Finance Standing Committee recommend that Halifax Regional Council approve an increase to new Project Account CE020001 - Police Services Replacement Equipment in the amount of \$671,200 with funding from the approved Halifax Regional Police (HRP) 2014/15 Operating budget with no net change to HRP's Operating Surplus/Deficit.

BACKGROUND

On April 1st, 2014, Halifax Regional Council passed the 2014/15 Project Budget which did not include a budget for Police Services Replacement Equipment. Up until now, there has been no Project Budget for Halifax Regional Police (HRP) replacement equipment such as officer protective equipment, firearms etc., as this equipment has always been funded in the Operating Budget.

For the 2016/17 fiscal year, a Project Budget will be submitted by the Halifax Board of Police Commissioners for equipment replacement items that meet the criteria for small equipment items under HRM's Tangible Capital Assets Policy. Included in the proposed 2016/17 budget will be a recommendation for a permanent transfer of funds from HRP Operating to HRP's Project Budget that will be required to fund the annual cost of equipment replacement for that fiscal year. Until the 2016/17 fiscal year, any equipment replacement purchases that meet the criteria for small equipment items under HRM's Tangible Capital Assets Policy will be funded through HRP Operating and transferred to HRP Project Account CE020001 – Police Services Replacement Equipment.

DISCUSSION

A review of operating purchases in the 2014/15 fiscal year has identified several replacement equipment items that meet HRM's Tangible Capital Assets Policy criteria for small equipment and therefore should be capitalized in a project budget account. In light of this, HRP recommends transferring \$671,200 from HRP's operating accounts to CE020001, a new Project Account titled Police Services Replacement Equipment. The Police Services Replacement Equipment project account will be managed by Halifax Regional Police staff on behalf of the Halifax Board of Police Commissioners.

FINANCIAL IMPLICATIONS

The following transfers of funding also include the transfer of costs from the HRP's operating accounts to the Police Equipment Replacement project account. The budget availability has been confirmed by Finance.

Operating Budget Summary:

P255 – Exhibits and Property	\$393,100
P225 - Training	\$ 62,800
P312 – SES Technical Unit	<u>\$215,300</u>
Total to be Transferred	\$671,200

Project Budget Summary: Project No. CE020001 – Police Services Replacement Equipment

Approved Budget	\$ 0
Plus: Transfer from Operating	<u>\$671,200</u>
Balance	\$671,200

If approved there will be an increase to the gross Project Budget but not the net Project Budget.

COMMUNITY ENGAGEMENT

N/A

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications with this report.

ALTERNATIVES

As the equipment items identified are all considered small equipment capital assets according to HRM's Tangible Capital Assets Policy, there are no other alternatives as to where the purchases of these items should be accounted for.

ATTACHMENTS

N/A

A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/SCfinance/index.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Craig Horton, Financial Coordinator, Halifax Regional Police, 902.490.4432

Report Approved by: Original Signed
Bill Moore, Deputy Chief, Halifax Regional Police, 902.490.7138

Financial Approval by: Original Signed
Greg Keefe, Director of Finance & ICT/CFO, 902.490.6308
