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Halifax Regional Council
June 11, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Dan English, Deputy Chief Administrative Officer

DATE: June 4, 2002

SUBJECT: **Capital Grant Request: Cobequid Multi-Service Centre - Donation of Proceeds from Sale of Land**

ORIGIN

At the meeting of Regional Council May 28, 2002, on a motion by Deputy Mayor Harvey and Councillor Johns, a request for the donation of net proceeds from the sale of the former Correctional Centre site, Sackville, to the Cobequid Multi-Service Centre Capital Campaign was directed to staff for review and recommendation.

RECOMMENDATION

It is recommended that:

1. Regional Council decline the requested donation in the value of \$152,500 to the Cobequid Multi-Service Centre Foundation on the basis of the following rationale:
 - a. the direct provision of medical facilities is the responsibility of the Nova Scotia Department of Health: Capital District Health Authority;
 - b. the request is inconsistent with the approved reserve business case for the Sale of Land Reserve Account and established policies governing the assignment and use of such funds.

BACKGROUND

At the Regional Council meeting of December 18, 2001, the Cobequid Multi-Service Centre Foundation requested HRM make a capital grant of \$500,000 towards the construction of a new facility. On May 7, 2002, the recommendation of the HRM Grants Committee to decline funding was approved by Regional Council. The primary rationale for declining the request was the municipality's mandate relative to financial capacity and competing priorities. Subsequent to this decision, a request to re-direct the proceeds of sale from the sale of 15 Glendale Drive to the Cobequid Multi-Service Centre Campaign has been forwarded to staff for review. The value of the request is \$152,500

DISCUSSION

Sale of Land Reserve:

The sale of the former correctional centre lands to the Province of Nova Scotia closed on May 27, 2002 and the net proceeds from the sale were placed in the Capital Reserve, as determined by the MGA.

The Reserve is governed by the requirements of the MGA regarding its application. Under the MGA, reserve funds may only be used for capital expenditures for which the Municipality may borrow or the repayment of the principal portion of capital debt. Under the approved business case for the Reserve (March 2000), it is Council's intention that the reserve be primarily used for the acquisition of land, buildings, and similar fixed assets.

The Sale of Land Reserve budget capacity is reviewed annually as part of the overall business planning process. This results in a number of capital projects being funded from the Reserve as opposed to being solely debt funded. Withdrawal or Reserve commitments are generally set in keeping with the intended use of the Reserve and business plan priorities.

Council should also be advised that the proceeds from the sale of the former correctional centre lands will be required in the future to off-set land acquisitions from the Province as identified in the overall land exchange, approved by Council, relating to a series of operational projects.

BUDGET IMPLICATIONS

As noted in the recommendation section of this report, the request is inconsistent with the approved reserve business case for the Sale of Land Reserve Account and established policies governing the assignment and use of such funds.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN


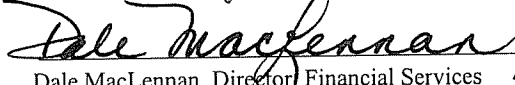
This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating Reserves, as well as any other relevant legislation.

ALTERNATIVES

The staff recommendation could be defeated and the donation supported by Council and the requested donation to the Cobequid Multi-Service Centre formalized as an approved expenditure to be funded from the Sale of Land Reserve. This action is not recommended.

ATTACHMENTS

None

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210 or Fax 490-4208.	
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