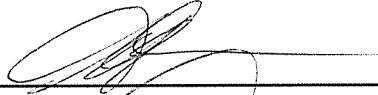


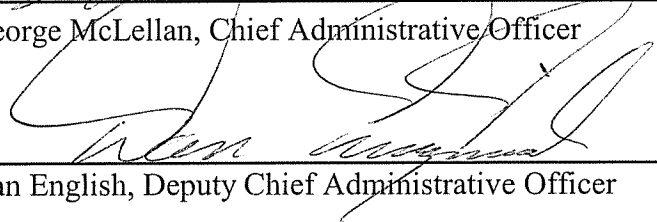
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Halifax Regional Council  
January 21, 2003

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
\_\_\_\_\_  
George McLellan, Chief Administrative Officer

  
\_\_\_\_\_  
Dan English, Deputy Chief Administrative Officer

**DATE:** January 7, 2003

**SUBJECT:** Repairs to 5594-5596 Morris Street from Reserve Account Q112

**ORIGIN**

Roof leaks and required code upgrades at 5594-96 Morris Street have necessitated several capital repairs.

**RECOMMENDATION**

It is recommended that Council approve an increase to the 02/03 Capital Budget in the amount of \$22,074 with funding available from reserve account Q112, 5594-96 Morris Street. This amount is required to fund capital repairs as described in the discussion section of this report.

## **BACKGROUND**

The HRM owned property at 5594-96 Morris Street currently houses the South End Community Day Care Centre and the Spencer House Seniors Centre. Under the terms of the management agreement the tenants are responsible for yearly operating expenses while the municipality is responsible for major capital repairs. In 1988 the City of Halifax established reserve account Q112 for 'future major maintenance and replacement of items'. Recent problems with mould due to a failed roof required major repairs to the roof and walls. In addition, inspections of the building identified several code deficiencies which required upgrading.

## **DISCUSSION**

The following required work has been carried out at 5594-96 Morris Street

Description of Work	Total Cost (including net taxes)
Remediate mould	\$1,316.10
Repair roof	\$15,325.78
Required code upgrades	\$2,282.11
Daycare upgrades	\$3,149.13
Total	\$22,073.12

As the above work could not be accurately costed until the full extent of the repairs were exposed the work was temporarily charged against an operating account. The above table identifies the full extent of the required work that qualifies to be charged against the Q112 reserve.

## **BUDGET IMPLICATIONS**

Yearly rents for 5594-96 Morris Street total \$5,664. Of this amount, \$5,544 is accrued yearly to reserve account Q112. There is currently a balance of \$52,935 in account Q112. The availability of funds has been confirmed by Financial Services.

## **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 capital and operating reserves, as well as any relevant legislation. This approval will increase the 02/03 Capital and Reserve Budgets.

ALTERNATIVES

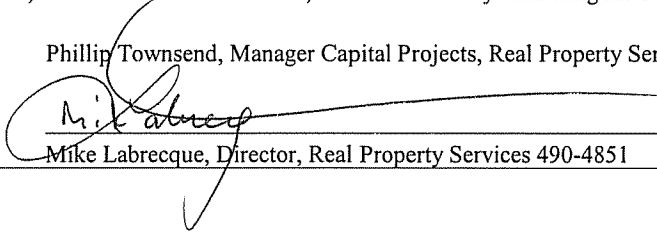
Council can choose to not allow the use of reserve account Q112. This will require that these expenditures be absorbed into Real Property and Asset Management's operating budget possibly resulting in a budget over expenditure. This is **not** the recommended alternative.

ATTACHMENTS

N/A

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.

Report Prepared by: Phillip Townsend, Manager Capital Projects, Real Property Services, 490-7166

Report Approved by:   
Mike Labrecque, Director, Real Property Services 490-4851