



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

**Item No. 14.2.4**  
**Halifax Regional Council**  
**March 6, 2018**

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

Original Signed

**SUBMITTED BY:**

\_\_\_\_\_  
Councillor Russell Walker, Vice Chair  
Audit and Finance Standing Committee

**DATE:** February 22, 2018

**SUBJECT:** Funding Transfer for Parking Enforcement Vehicle Purchase

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**ORIGIN**

Staff report to the February 21, 2018 Audit and Finance Standing Committee meeting.

**LEGISLATIVE AUTHORITY**

Section 8 of the Audit and Finance Standing Committee's Terms of Reference:

The Audit and Finance Standing Committee shall review and make recommendations on proposals coming to the Council outside of the annual budget or tender process including:

- (a) new programs or services not yet approved or funded;
- (b) programs or services that are being substantially altered;
- (c) proposed changes in any operating or project budget items;
- (d) the commitment of funds where there is insufficient approved budget;
- (e) new or increased capital projects not within the approved budget;
- (f) increases in project budget due to cost sharing; and
- (g) the creation or modification of reserves and withdrawals not approved in the approved budget.

**RECOMMENDATION**

The Audit and Finance Standing Committee recommend Halifax Regional Council:

1. Approve the transfer of 2017/18 operating funds in the amount of \$100,000 from operating budget A315 – Ticket Office (Planning and Development) to Q531 – Vehicle Fleet and Equipment Reserve; and,
2. Approve the withdrawal of \$100,000 from Q531 – Vehicle Fleet and Equipment Reserve to fund capital project CE020002 – Fleet Expansion, as presented in the 2018/19 proposed capital budget, and as outlined in the Financial Implications section of the February 5, 2018 staff report.

**BACKGROUND**

A staff report regarding the funding transfer for parking enforcement vehicle purchase was submitted to a meeting of the Audit and Finance Standing Committee on February 21, 2018.

**DISCUSSION**

The Committee considered the report and passed a motion endorsing the staff recommendation.

**FINANCIAL IMPLICATIONS**

Financial implications are addressed in the attached staff report dated February 5, 2018.

**RISK CONSIDERATION**

Risk considerations are addressed in the attached staff report dated February 5, 2018.

**COMMUNITY ENGAGEMENT**

The Audit & Finance Standing Committee meetings are open to public attendance, a live webcast is provided of the meeting, and members of the public are invited to address the Committee for up to five minutes at the end of each meeting during the Public Participation portion of the meeting. The agenda, reports, minutes, and meeting video of the Audit & Finance Standing Committee are posted on Halifax.ca

**ENVIRONMENTAL IMPLICATIONS**

None.

**ALTERNATIVES**

The Standing Committee did not provided alternatives.

**ATTACHMENTS**

Attachment 1: Staff report dated February 5, 2018.

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Sheilagh Edmonds, Legislative Assistant 902.490.6520

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**Item No.**  
**Audit & Finance Standing Committee**  
**February 21, 2018**

**TO:** Chair and Members of Audit & Finance Standing Committee

**SUBMITTED BY:** Original Signed  
\_\_\_\_\_  
Kelly Denty, Acting Director, Planning and Development

Original Signed  
\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** February 5, 2018

**SUBJECT:** Funding Transfer for Parking Enforcement Vehicle Purchase

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**ORIGIN**

November 17, 2017 service delivery change to reallocate the provision of parking enforcement services from private contractors to HRM staff

**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 Administrative Order 2014-015 respecting Reserves (5) The Audit and Finance Standing Committee shall review and recommend to the Council for its consideration all impacts to the Reserves.

**RECOMMENDATION**

It is recommended that the Audit and Finance Standing Committee recommend that Halifax Regional Council:

1. Approve the transfer of 2017/18 operating funds in the amount of \$100,000 from operating budget A315 – Ticket Office (Planning and Development) to Q531 – Vehicle Fleet and Equipment Reserve; and,

**Recommendations continued on page 2**

2. Approve the withdrawal of \$100,000 from Q531 – Vehicle Fleet and Equipment Reserve to fund capital project CE020002 – Fleet Expansion, as presented in the 2018/19 proposed capital budget, and as outlined in the Financial Implications section of this report.

### **BACKGROUND**

Given past performance concerns with multiple external service providers, staff have determined that an in-house solution to provide parking enforcement services was the appropriate service delivery model. Since November 15, 2017, the Planning and Development Compliance team has been handling parking enforcement in conjunction with existing duties.

To offset the workload, a team of nine new compliance officers was approved to focus on parking, as well as other minor offense matters. This team consists of five officers on foot patrol, based out of the existing Duke Tower space, and four vehicle-based officers, operating out of 7 Mellor Avenue, Dartmouth.

The four vehicle-based staff require dedicated vehicles to provide effective parking enforcement. Corporate Fleet has provided vehicles during the current transition period, however, fleet inventory is not available for this use long-term.

### **DISCUSSION**

Four vehicles will need to be purchased by HRM for long term operational needs. Corporate Fleet considers vehicle acquisitions, if not part of their replacement program, as additions to fleet. Planned additions are identified during the annual budget process and incorporated within capital project CE020002 - Fleet Expansion. Since this P&D operational change occurred during the fiscal year – and could not have been anticipated – funding for this project was not included in the 2017-18 capital budget.

The parking enforcement vehicles will be purchased by Corporate Fleet through the existing tender process, which can take up to 90 days for delivery. If Regional Council approves the recommendation to transfer funds, Fleet will initiate a tender in fiscal 2017-18, with expenditure and delivery in 2018-19. The estimated cost of the vehicles is \$100,000. This transfer is shown in the proposed capital budget for CE020002 - Fleet Expansion; see the Capital Budget Form, Attachment A.

### **FINANCIAL IMPLICATIONS**

Due to the change in service delivery method, Planning and Development has forecast a net savings of approximately \$150,000 in parking enforcement operational expenditures in 2017-18. A portion of these savings, \$100,000, will be transferred to a capital reserve to facilitate the purchase of four vehicles required for Compliance Officers to carry out their new parking enforcement role.

Corporate Fleet will purchase the four vehicles for Planning & Development at a cost of approximately \$100,000 in early 2018-19. Budget availability details are shown below.

#### **Budget Summary, Vehicle Fleet and Equipment Reserve, Q531**

|   |                     |
|---|---------------------|
| Balance in reserve, December 31, 2017                         | \$ 2,052,408        |
| Estimated revenue to March 31, 2018                           | \$ 137,866          |
| Commitments to March 31, 2018                                 | \$(1,053,858)       |
| Recommendation, contribution from operating                   | \$ 100,000          |
| Recommendation, commitment to fund capital project in 2018/19 | <u>\$( 100,000)</u> |
| Projected net available balance, March 31, 2018               | \$ 1,136,416        |

**Obligation Reserve, Q531 Fleet Vehicles & Equipment Reserve** is to provide funding for replacement of fleet vehicles and equipment with a useful life of less than 10 years. Reserve is funded through the sale of surplus vehicles and equipment, funds as approved by Council and Interest. This report would result in an unbudgeted contribution and commitment to the reserve, with a net \$0 impact.

**Budget Summary CE020002 Fleet Expansion**

|                           |                  |
|---------------------------|------------------|
| Cumulative Unspent Budget | \$145,013        |
| 18/19 Proposed budget     | <u>\$135,000</u> |
|                           | \$280,013        |

**RISK CONSIDERATION**

There are no material risks associated with the proposed funding or procurement.

**COMMUNITY ENGAGEMENT**

None.

**ENVIRONMENTAL IMPLICATIONS**

None.

**ALTERNATIVES**

Planning and Development could lease vehicles, but this has not been shown to be cost effective for long term, daily use of municipal vehicles.

**ATTACHMENTS**

Attachment A – Capital Budget Form for capital project CE020002 - Fleet Expansion

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Penny Henneberry, Manager Building and Compliance, 902.579.0250  
Danielle Paris, Fleet Coordinator, Corporate Fleet, 902.490.6832

Report Approved by: Original Signed  
\_\_\_\_\_  
Jane Fraser, Director, Corporate and Customer Service, 902.490.4630

Financial Approval by: Original Signed  
\_\_\_\_\_  
Jerry Blackwood, Acting Director of Finance and Asset Management/CFO, 902.490.6308

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## 2018/2019 Capital Budget Form

|                          |                      |
|--------------------------|----------------------|
| <b>Project Name:</b>     | Fleet Expansion      |
| <b>Project Number:</b>   | CE020002             |
| <b>Budget Category:</b>  | Equipment & Fleet    |
| <b>Project Type:</b>     | Service Improvements |
| <b>Discrete/Bundled:</b> | Bundled              |
| <b>Project Manager:</b>  | Rajiv Massey         |

**Project Summary:**

HRM maintains its current fleet inventory levels through a vehicle replacement program that ensures each vehicle added to the fleet replaces one that has reached the end of its scheduled life. However, expansion of the fleet inventory is sometimes required to meet changing operational needs. In 18/19, pump testing apparatus is required for the Emergency Fleet garage. As well, four (4) new light vehicles are required for Parking Enforcement as this service will be delivered by HRM staff.

**Total Capital Request: (5 Years) \$** 135,000

**Supports Outcome Area:** Transportation (Council Priority)

**Project Status:** Pre-Tender

**Approximate accuracy of budget estimate** +-10%

**Capital Costs - Cash Flow**

| Fiscal Year                                       | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---|---------|---------|---------|---------|---------|
| <b>Gross Budget:</b>                              | 135,000 | -       | -       | -       | -       |
| <b>Funding Source:</b>                            |         |         |         |         |         |
| Reserve Q531 - Fleet Vehicles & Equipment Reserve | 100,000 | -       | -       | -       | -       |
|   | -       | -       | -       | -       | -       |
| <b>Total Funding:</b>                             | 100,000 | -       | -       | -       | -       |
| <b>Net Budget:</b>                                | 35,000  | -       | -       | -       | -       |

| Fiscal Year                                       | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|---------|---------|---------|---------|---------|
| <b>Gross Budget:</b>                              | -       | -       | -       | -       | -       |
| <b>Funding Source:</b>                            |         |         |         |         |         |
| Reserve Q531 - Fleet Vehicles & Equipment Reserve | -       | -       | -       | -       | -       |
|   | -       | -       | -       | -       | -       |
| <b>Total Funding:</b>                             | -       | -       | -       | -       | -       |
| <b>Net Budget:</b>                                | -       | -       | -       | -       | -       |

**Detailed Work Plan:**

|  | 2018/19        | 2019/20 |
|--|----------------|---------|
| 1 pump testing apparatus                                 | 180,000        | -       |
| 4 vehicles for Parking Enforcement                       | 100,000        | -       |
|  | -              | -       |
|  | -              | -       |
|  | -              | -       |
|  | -              | -       |
|  | -              | -       |
|  | -              | -       |
|  | -              | -       |
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|  | -              | -       |
|  | -              | -       |
|  | -              | -       |
|  | -              | -       |
|  | -              | -       |
| <b>Total Estimated Work Plan</b>                         | <b>280,000</b> | -       |
| <b>Less: Projected Carry Forward from Previous Years</b> | <b>145,000</b> | N/A     |
| <b>Gross Budget Request</b>                              | <b>135,000</b> | -       |