

HALIFAX

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Item No. **12.41**
Audit and Finance Standing Committee
November 15, 2017

TO: Chair and Members of the Audit and Finance Standing Committee

SUBMITTED BY: Original Signed
Jacques Dubé, Chief Administrative Officer

Brad Anguish, Director, Parks & Recreation

DATE: November 6, 2017

SUBJECT: Dartmouth Sportsplex - Public Art Funding Transfer

ORIGIN

April 25, 2017 Regional Council Meeting Motion:

MOVED by Councillor Austin, seconded by Councillor Mancini:

THAT Halifax Regional Council award Tender 16-171, Dartmouth Sportsplex Revitalization – Construction Services, to the lowest priced qualified bidder, Marco Maritimes Ltd., for a total cost of \$23,273,000 (HST fully refundable). Funding is available from Project Account CB000006 – Dartmouth Sportsplex Revitalization, as outlined in the Financial Implications section of the staff report dated March 10, 2017.
MOTION PUT AND PASSED UNANIMOUSLY

LEGISLATIVE AUTHORITY

Halifax Regional Charter, section 35 (1) The Chief Administrative Officer shall
(a) coordinate and direct the preparation of plans and programs to be submitted to the Council for the construction, rehabilitation and maintenance of all municipal property and facilities.

Halifax Regional Charter, sections 61, 63, and specifically 79(1)(k), (x), (y) and (ah):
79(1) The Council may expend money required by the Municipality for:

- (k) recreational programs;
- (x) lands and buildings required for a municipal purpose;
- (y) furnishing and equipping any municipal facility;
- (ah) playgrounds, trails, including trails developed, operated or maintained pursuant to an agreement made under clause 73(c), bicycle paths, swimming pools, ice arenas and other recreational facilities.

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RECOMMENDATION

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

1. Direct staff to transfer public art funding in the amount of \$225,000 allocated for the Dartmouth Sportsplex Renovation Project from the 2017/18 operating budget (Cultural Development-C764) to the General Contingency Reserve, Q421, and
2. Commit the \$225,000 as a withdrawal from the General Contingency Reserve to fund the operating expense in Cultural Development-C764 for the project costs to be incurred in 2018/19, as outlined in the Financial Implications Section of this report.

BACKGROUND

Halifax's Public Art Policy was approved by Regional Council in 2008. Policy (3.5) states that "HRM will fund Public Art at new or renovated municipally-owned publicly accessible facilities through allocation of 1% of the total construction costs in excess of the first 25,000 square feet for a specific project. The contribution will be included as a one-time amount with the Operating Costs of Capital for each project. The public art must be sited on facility grounds."

DISCUSSION

The public art funding for the Dartmouth Sportsplex Renovation Project is \$225,000. This represents 1% of the original estimated capital budget (pre-tender) for the project. The funding rests within the 2017/18 operating budget and is required to be expended within the current fiscal year (prior to March 31, 2018). Operating funds cannot be extended into future fiscal years; however, the Dartmouth Sportsplex Renovation Project extends over two fiscal periods. The property will continue to be under extensive construction prior to March 31, 2018 impacting the feasibility of completing the public art component within the current fiscal year.

Operating funds do not carry forward to future years, therefore, placing the 2017/18 operating funds into the reserve will hold the funding until 2018/19 when the public art project funding will be required within the appropriate phase of the construction schedule. The public art procurement process will be initiated in 2017/18, with fabrication in 2018/19, and expected completion in the summer to coincide with the reopening of the facility in September 2018.

FINANCIAL IMPLICATIONS

Budget Summary, Risk Reserve – General Contingency Reserve, Q421

Balance in reserve, September 30, 2017	\$2,194,623
Estimated revenue to March 31, 2018	\$ 10,940
Commitments to March 31, 2018	\$ (849,895)
Recommendation, contribution from operating	\$ 225,000
Recommendation, commitment to fund operating in 2018/19	<u>\$ (225,000)</u>
Projected net available balance, March 31, 2018	\$1,355,668

Risk Reserve – General Contingency Reserve, Q421 is to receive the annual operating surplus of the Municipality as prescribed by the Provincial Financial Accounting and Reporting Manual, and can be used to fund operating costs, offset deficits, or fund new operating and/or capital expenditures. This recommendation does not have an impact to the reserve as it is a contribution in 2017/18 and a commitment to withdraw in 2018/19 for the same amount.

RISK CONSIDERATION

There are no risks associated with directing the funds to a reserve account. This risks in not proceeding with the recommendation is that public art may not be commissioned for the Dartmouth Sportsplex project.

COMMUNITY ENGAGEMENT

Public and stakeholder engagement was part of the initiation study for the Dartmouth Sportsplex Renovation Project. Ongoing public information sharing is occurring throughout the renovation.

ENVIRONMENTAL IMPLICATIONS

There are no specific environmental implications that have been identified with the content of this report.

ALTERNATIVES

Audit and Finance Standing Committee may choose to not recommend that Halifax Regional Council direct staff to transfer public art funding allocated for the Dartmouth Sportsplex Renovation Project from the 2017/18 operating budget to the reserve. This is not recommended as it is not feasible to complete the public art component prior to March 31, 2017.

ATTACHMENTS

No Attachments

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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