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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

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

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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