



**AUDIT & FINANCE STANDING COMMITTEE
MINUTES
May 4, 2015**

Special Meeting

PRESENT: Councillor Bill Karsten, Chair
Councillor Linda Mosher, Vice Chair
Councillor Barry Dalrymple
Councillor Gloria McCluskey
Councillor Reg Rankin
Councillor Steve Craig

REGRETS:

STAFF: Mr. Greg Keefe, Chief Financial Officer
Mr. John Traves, Municipal Solicitor
Mr. Liam MacSween, Legislative Assistant

The following does not represent a verbatim record of the proceedings of this meeting.

The agenda, supporting documents, and information items circulated to the Audit & Finance Standing Committee are available online: <http://www.halifax.ca/boardscom/SCfinance/150504afsc-agenda.php>

The meeting was called to order at 10:30 a.m. and adjourned at 11:20 a.m.

1. CALL TO ORDER

Councillor Bill Karsten, Chair called the meeting to order in Council Chambers, 3rd Floor City Hall, 1841 Argyle Street, Halifax.

2. APPROVAL OF THE ORDER OF BUSINESS

MOVED by Councillor McCluskey, seconded by Councillor Rankin that the agenda be approved as presented.

MOTION PUT AND PASSED.

3. Shakespeare by the Sea

The following was before the Standing Committee:

- A staff recommendation report dated April 28, 2015

MOVED by Councillor McCluskey, seconded by Councillor Craig that the Audit and Finance Standing Committee recommend that Halifax Regional Council, as a result of the increased estimated costs, confirm direction to staff to complete minimal repairs to Park - Place Theatre to allow ongoing use as office, storage and rehearsal space with funding being allocated as follows:

- 1. Approve a request to authorize expenditure to Project No. CBXO1269— Mechanical in the amount of \$45,000 as outlined in the Financial Implications section of the staff report dated April 28, 2015.**
- 2. Approve a request to authorize expenditure to Project No C0X01270 — Structural in the amount of \$55,000 as outlined in the Financial Implications section of the staff report dated April 28, 2015.**
- 3. Approve a request to authorize expenditure to Project No. CBXO1272— Roof in the amount of \$10,000 as outlined in the Financial Implications section of the staff report dated April 28, 2015.**
- 4. Approve a request to authorize expenditure to Project No. COXO1275— Electrical in the amount of \$15,000 as outlined in the Financial Implications section of the staff report dated April 28, 2015**
- 5. Approve an increase to Project No. CBXO1270 — Structural — in an amount equal to the lesser of the repair cost or \$100,000 representing the insurance policy deductible from M320 Insurance Claims cost centre with any additional amount being received from the property insurance companies above \$100,000 be directed to CBXO1270— Structural to offset the costs of the project.**

Councillor McCluskey inquired if space in the Point Pleasant Park Superintendent's Cottage is still available to the group.

Ms. Schofield, Manager Program Support Services, Parks and Recreation noted that the space is still available but advised that due to its size, the cottage could not be used as a theatre or rehearsal space.

In response to a follow up question from Councillor McCluskey, Mr. John Traves, Municipal Solicitor noted that the property in question is located on Point Pleasant Park grounds which are leased by the municipality from the federal government. He advised that there is no payment in lieu of taxes associated with the building.

Councillor Craig inquired as to how much HRM's insurance policy covers for damage to the property.

Mr. Terry Gallagher, Manager of Corporate Facility Design and Construction commented that staff is looking for expenditures for two items, maintenance and repair work which is estimated at \$125,000.00 as well as to repair the damage caused by vandalism through fire which has been identified at \$100,000.00

Councillor Craig expressed his opinion that the report suggests that HRM conduct more work on the property than what is required to bring the property to a minimum standard as result of the fire damage.

Mr. Gallagher clarified that the initial report which was provided to Council was not entirely clear in the amount of work that was required at the building.

Councillor Craig inquired if there was any plan to bring the repair work to Council prior to the fire and asked if the facility was being used in the manner that was illustrated in the request.

Mr. Gallagher commented that the types of repair work would normally be captured in the operating budget and would not require staff to prepare a report for Council to conduct the repairs. He further advised that a review of the lease agreement for the building triggered a thorough examination of usage of the building as well as the costs associated in bring the building up to code.

In response to a follow up question from Councillor Craig, Mr. Gallagher noted that the report is before the Audit & Finance Standing Committee to be fully clear of the costs associated with bringing the building up to code for the intended usage of the property outlined in the lease agreement. He further advised that dollar amount for the required work is within the normal operational level.

Councillor McCluskey requested further information pertaining to the total cost of damage to the building as a result of the fire.

Mr. Gallagher noted that the total cost of the fire damage ranged from \$100,000.00 to \$107,000.00 based on the three estimates that were obtained by staff for the proposed work to the building.

In response to a follow up question from Councillor Craig, Mr. Brad Anguish, Director of Park and Recreation commented that due to an administrative oversight staff realized that the full cost of the proposal for the site had increased by \$100,000. He advised that the project is within the CAO's authority to approve but in the interest of full transparency, staff thought it was necessary to bring the report before the Audit & Finance Standing Committee to demonstrate the change in cost.

MOTION PUT AND PADDED.

4. Spider Lake Park – 42 Bunchberry Lane

The following was before the Standing Committee:

- A staff recommendation report dated April 24, 2015

MOVED by Councillor Dalrymple, seconded by Councillor Craig that the Audit and Finance Committee recommend that Halifax Regional Council:

- 1) Classify the Spider Lake playground as a "Municipal Recreational Facility' under Council's "Recreation and Community Facilities Taxation Classification".**
- 2) Approve an increase of \$570,000 to CP000004-Parks. Sports Courts and Fields-Service Improvements, with funding from the Parkland Reserve Q107 for the development of the Spider Lake Park and authorize staff to proceed with the joint funding application with the Spider Lake Community Park Society for a Provincial Recreation Facility Development Grant of up to \$35,000;**
- 3) Should the Provincial funding not be secured, approve an additional increase of \$35,000 to**

**CP000004-Parks, Sports Courts and Fields-Service Improvements with funding from the
Parkland Reserve Q107 to cover the shortfall.**

Councillor Dalrymple noted that the project has been an ongoing concern within the community for three years and thanked staff for their efforts in moving the project forward. He advised that the community is growing in both size and population and stated that there will be more growth in the area with the advent of the Port Wallis Master plan.

Councillor McCluskey inquired as to how much money was raised by the community and whether or not there has been a fundraising campaign for the proposed project.

Councillor Dalrymple commented that the community has raised in excess of \$20,000.00 for the project and noted contribution from the local and neighbouring Councillors District Capital funds which amount to \$20,000.00.

Councillor Craig inquired if the application to the province made the deadline as outlined in the report.

Mr. Brad Anguish, Director of Parks and Recreation commented that staff took the advantage of submitting the application to the province to ensure that deadline for submission was met. He advised that provincial staff is aware that approval from Council is required with respect to the application and noted that it will be considered as a draft application until council renders a decision. Mr. Anguish further noted staff's rationale for recommendation number three, to not jeopardize planned projects if funding cannot be secured by the province in light of recent cuts to the provincial Recreation Facility Development Grant.

Councillor Craig expressed his concern respecting the downloading of provincial grants to the municipal level. He commented that if the recommendation is approved it may set a precedent that the municipality will fund a great deal of grants not approved by the province.

Councillor Karsten expressed his view that recreation is a municipal responsibility and can be considered for funding by staff. Councillor Craig agreed with Councillor Karsten's assessment that recreation needs are a municipal responsibility, but noted that there is no obligation on the part of council to approve grants on that basis alone.

Councillor Rankin noted his support for the application and inquired if the funding for this matter will indeed set a precedent for this type of funding request.

Mr. Anguish commented that staff went through an extensive review as outlined in the report to demonstrate the criteria which was applied to the Spider Lake project. He noted that project meets three main criteria for approval, the first of which is provisions within the subdivision agreement which stipulates that the municipality would establish a park in the area. Secondly, he noted that staff checked the build out of the community to ensure that there is a suitable population and number of homes to warrant having the park within the community and lastly, he advised that staff assessed whether or not the park is sufficiently isolated from all other recreation opportunities within the area. He advised that staff is currently formulating a policy consideration for Council to assist in managing future requests of this nature to ensure that all criteria are being met.

Councillor Mosher expressed her support for the recommendation and noted that she had submitted a similar request for a playground located near the St. Andrew's Centre in the past which was not outlined in the report.

Mr. Anguish noted that staff isolated the analysis for parkland gained through residential development. He advised that the St. Andrews request as referred to by the Councillor has been received and he will be reviewing it.

Councillor Craig noted his support for the recommendation but requested further clarification with respect to the funding arrangement for the proposal.

Mr. Anguish clarified that the proposed funding plan as outlined in the report equates to the municipal standard for the parkland in question. He further advised that oftentimes community groups approach the municipality with a plan and funding options for further uses for a particular site.

Further discussion ensued.

MOTION PUT AND PASSED.

5. ADJOURNMENT

The meeting adjourned at 11:20 a.m.

Liam MacSween
Legislative Assistant