

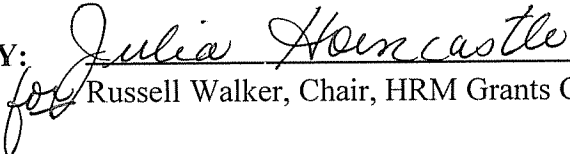


PO Box 1749  
Halifax, Nova Scotia  
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**Item No. 11.2.1**

**Halifax Regional Council  
January 20, 2009**

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

**SUBMITTED BY:**   
for Russell Walker, Chair, HRM Grants Committee

**DATE:** December 18, 2008

**SUBJECT:** **HRM Re-Capitalization Assistance to Community Recreation  
Facilities: Arenas and Swimming Pools 2008-2009: Recommended  
Awards**

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**ORIGIN**

Grants Committee Meeting of December 15, 2008.

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**RECOMMENDATION**

It is recommended that the Halifax Regional Council:

1. Approve a total of seven (7) awards from Capital Account CBX01146 for a combined total of \$595,110 as detailed in Attachment 1 of the report dated November 17, 2008.
2. Approve holding \$100,000 pending further evaluation of the submission from the St. Margaret's Centre.

### **BACKGROUND/DISCUSSION**

As per the attached staff report dated November 17, 2008.

### **ALTERNATIVES**

None recommended.

### **ATTACHMENTS**

1. Score Sheet and Notes
2. Staff report dated November 17, 2008.

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: Julia Horncastle, Acting Municipal Clerk

**Attachment 1.****Notes to Review Summary****Sorting Applicant by Category:**

Collectively, the review team assigned applicants to either the risk management category or the operational enhancement category based on the type of request. It was agreed that the following be assigned to the risk category:

- an ice resurfacing machine constitutes a 'system' and as such the loss of capacity (failure or breakdown) would compromise operations;
- the condition of the parking lot of the Eastern Shore Recreation Centre constituted a liability risk (personal injury or property damage) and was core to operations in the absence of public transit;
- Dartmouth Sportsplex pool water purification system was a risk reduction approach to public health (ie. elimination of chlorine-resistant bacteria).

**Range of Scores Across all Applicants:**

Across all applicants the average score ranged from 38.6 to 69. Five (5) of which scored below 50 points and three (3) scored between 51.6 and 69. None of the applicants scored 70 points or more.

**Range of Scores by Individual Applicant:**

Averaging reviewer's scores moderates variance between individual reviewers. For example, there was a high degree of consistency in scores for the Dartmouth Sportplex and the Eastern Shore Recreation Centre whereas there was significant variance in the range of scores for St. Margaret's Centre. With respect to St. Margaret's, with one exception, reviewers scored low due to the uncertainty of funding sources whereas one reviewer scored high contingent upon holding funds pending further consultation with councillor(s) and provincial government staff.

**For Future Consideration:**


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Should the program be repeated in future years, staff recommend consideration of the following amendments:

1. A scoring benchmark be established. For example, a minimum score of 50 points. If approved, the application of a minimum standard would mean that any applicant scoring below 50 points would be ineligible for funding irrespective of program funding capacity.
2. Policy be amended to restrict organizations to one application, the total value of which cannot exceed \$100,000.
3. A process be established to determine the annual focus of the re-capitalization process ie. what criteria shall be used to select (a) the funding sector and, if required, (b) type of facility within the respective funding sector. The criteria and process would be approved by Regional Council and the guidelines subsequently amended.

Attachment 1. Review Summary

Request	Facility	RISK MANAGEMENT						
		Lake District	Dartmouth Sportsplex	Eastern Shore Rec Ctr	Halifax Forum	Cole Hbr Place	Spryfield Arena	
\$289,930	Public Safety	9	31	24	40	2	3	
	Structural or Systems Failure	33	7	8	10	32	36	
	Operating Efficiencies	7	7	6	2	5	6	
	Environmental Impact	3	8	1	1	2	1	
	<b>Total Score</b>	<b>52</b>	<b>53</b>	<b>39</b>	<b>53</b>	<b>41</b>	<b>46</b>	

Request	Facility	ENHANCEMENTS	
		Cole Hbr Pool & Tennis	St. Margaret's Ctr
	Program Expansion or Client Base	29	23
	Revenue	34	21
	Operating Efficiencies	4	2
	Environmental Impact	2	2
	<b>Total Score</b>	<b>69</b>	<b>48</b>



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HRM Grants Committee  
December 15, 2008

TO: Chair and Members HRM Grants Committee

A handwritten signature in cursive script that reads "Cathie O'Toole".

SUBMITTED BY:

\_\_\_\_\_  
Cathie O'Toole, Interim Director, HRM Finance

DATE: November 17, 2008

SUBJECT: **HRM Re-Capitalization Assistance to Community Facilities: Arenas and Swimming Pools - 2008-2009. Recommended Awards.**

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### ORIGIN

In the 2008-09 budget deliberations Regional Council approved a one-time allocation of \$700,000 for capital grants to HRM-owned facilities operated by a community partner. In September, 2008, Regional Council approved the inclusion of community-owned and operated facilities. This report makes recommendations with respect to awards. A separate report will address future funding allocations and priority sectors.

As of December 1, 2008, the program received on-time requests from eight (8) organizations for a combined value of requests of \$ 1,138,506.03.

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### RECOMMENDATION

It is recommended that:

1. The HRM Grants Committee approve a total of seven (7) awards from Capital Account CBX01146 for a combined total of \$595,110 as detailed in Attachment 1 of this report;
2. The HRM Grants Committee approve holding \$100,000 pending further evaluation of the submission from the St. Margaret's Centre.

**BACKGROUND**

In September, 2008, Regional Council approved guidelines for the distribution of a one-time capital budget allocation of \$700,000 for HRM-owned recreation facilities. The initial intent was to provide additional funding to HRM-owned facilities, particularly those operated under a facility management agreement who want to make upgrades that would typically rank low compared to basic capital repairs and code compliance issues. Recognizing that some community-owned facilities provide a comparable service where an HRM-owned facility does not exist, eligibility was expanded to include community-owned arenas and pools. An advertisement announcing the opening of the program was posted in October and a final notice posted in the Halifax Chronicle-Herald November 29<sup>th</sup>. The application deadline was December 1<sup>st</sup>, 2008.

In 2008-09, funding targets arenas and swimming pools based on the higher cost of re-capitalization and operating. Should this approach to funding continue in subsequent years it is anticipated that the focus of funding would be amended to target different types of facility.

**DISCUSSION**

A total of eight (8) applicant organizations requested a combined total of \$1,138,506.03; all are deemed eligible for consideration in this year’s supplementary capital grants program. An inter-departmental review team met on December 4<sup>th</sup> and independently scored individual submissions; scores were then tallied and averaged, and award values assigned within budget capacity.

**Applicant Scoring**

Further to the funding guidelines approved by Regional Council, a revised scoring system was developed to distinguish between a project that addressed risk management (ie. structural or systems failure) vs a project that enhanced or expanded programming. This distinction is shown below in Table 1.

<b>Table 1. Risk Management vs Operations Expansion/Enhancement</b>			
<b>Risk Management</b>		<b>Operations Expansion/Enhancement</b>	
Public Safety	40pts	Programming Expansion and Client Base	40pts
Structural or Systems Failure	40pts	Increase in Revenue Generation Capacity	40pts
Operating Efficiencies	10pts	Operating Efficiencies	10pts
Environmental Impact	10pts	Environmental Impact	10pts
<b>Total</b>	<b>100pts</b>	<b>Total</b>	<b>100pts</b>

Albeit the weighting of scores has been adjusted to include two categories ie. (1) safety/systems or structural failure and (2) /program revenue-based criteria, the allocation of funds for both types of capital projects will have to be reconciled to each other. For example, is 80 points for a risk management project the same as 80 points for a programming enhancement project?

For clarity and fairness, a second tier of evaluation is used if projects from either category score the same.:

- urgency of need (this is not limited to safety but also includes developmental opportunities in programming or financing);

- timeliness and revenue opportunity costs (what is the cost of not proceeding with a project?);
- leveraging other sources of funding (is funding from non-HRM sources compromised or enhanced?).

### **Carry Forward of Funding**

Given the timing of the launch of this program it is expected that not all projects will be complete by fiscal year-end. Projects may be carried forward into fiscal year 2009-2010. Grant recipients will be notified of reporting requirements with their letter of notification and a reporting form provided.

### **BUDGET IMPLICATIONS**

- If approved, the seven (7) awards totalling \$595,100 will be issued from Account #CBX01146-Capital Grants-HRM Owned Facilities.
- If approved, an amount of \$100,000 shall be held pending further evaluation of the request from St. Margaret's Centre.

A balance of \$4,890 remains pending the Grants Committee and Regional Council's approval.

### **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

### **ALTERNATIVES**

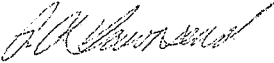
1. The HRM Grants Committee could overturn or amend a staff recommendation.

### **ATTACHMENTS**

1. Recommended Awards 2008-2009.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Peta-Jane Temple, Tax, Grants & Special Projects, HRM Finance 490-5469; Phillip Townsend, Manager, Capital Projects, HRM Infrastructure & Asset Management; Betty Lou Killen, Service Delivery, HRM Community Development; Gordon Roussel, Financial Consultant, HRM Finance; John Henry, Community Recreation: Aquatics Supervisor, HRM Community Development.

Report Approved by:   
Phillip Townsend, Assistant Director, HRM Infrastructure & Asset Management

## Attachment 1

Staff recommendations are presented in alphabetical order.

**Note:** as per approved guidelines the maximum value of grant is \$100,000. The HRM Grants Committee or Regional Council may amend a staff recommendation with respect to the value of an award (Guidelines, p.6). For consistency, grants towards the purchase of an ice resurfacing machine are based on quotes provided by the applicant, and exclude HST<sup>1</sup> or additional features (eg. a conditioner edge blade). This specific type of equipment was considered comparable to an “operating system” because equipment failure would disrupt service and therefore fits a risk management perspective.

### **1. Cole Harbour Outdoor Pool and Tennis Complex Association, 609 Colby Drive, Dartmouth - Swimming Pool**

The Cole Harbour Outdoor Pool and Tennis Complex is owned by HRM and since 1999 has operated under a facility management agreement with the Cole Harbour Outdoor Pool and Tennis Complex Association, a registered non-profit society. Programming includes swimming and tennis lessons, pool rentals, recreational rentals, and a venue for competitions. In 2008, the society undertook capital upgrades with \$157,000<sup>2</sup> from HRM’s capital budget and a grant of \$50,000 from the Nova Scotia Department of Health Promotion and Protection. As work progressed further structural and systems deficiencies were identified and an additional \$100,000 funding has been requested in order to complete the project. Costs include professional fees, pool floor replacement, drainage, plumbing and lane markers, fencing, diving board and starter blocks replacement. It should be noted, however, that the request did not account for \$50,000 already committed under HRM’s capital budget that remains unspent: the value of award was adjusted accordingly.

**Staff recommend a one-time capital grant of \$50,000 towards completion of upgrades to the pool liner, drainage and plumbing.**

### **2. Community Builders Incorporated, 51 Forest Hills Parkway, Dartmouth - Arena**

Cole Harbour Place was built by the former Halifax County and managed by a Board of Directors as per a by-law established by the former municipality. With amalgamation ownership was assumed by HRM and the facility operated under a management agreement by Community Builders Inc., a registered business. The complex is a multi-use facility with two arenas, swimming pool, public library, squash courts, fitness studio, meeting rooms and offices. With the closure of the Akerley Campus, plus growing demand from older adults and recreational user groups and leagues, rink demand has increased significantly. The current ice re-surfacing machine was purchased in 1999 but has been used for two surfaces; high usage has led to the need for repeated repairs and unreliable availability. Community Builders Inc has requested a capital grant of \$88,210 for the purchase of an ice re-surfacer.

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<sup>1</sup> The refundable portion of HST has been excluded from those purchases made by HRM-owned facilities eligible for a partial exemption as a municipal capital expenditure.

<sup>2</sup> Funding is located in two capital accounts and to date \$85,000 has been spent.



Staff recommend a one-time capital grant of \$88,210 (HST excluded) towards the purchase of an ice re-surfacing machine.

**3. Dartmouth Sportsplex Community Association, 110 Wyse Road, Dartmouth - Swimming Pool/Arena**

The Dartmouth Sportsplex is owned by HRM and operated under a facility management agreement by the Dartmouth Sportsplex Community Association, a registered non-profit society. The complex is a multi-use facility with health, fitness and convention amenities. Amenities include two swimming pools, ice arena, whirlpool/steam room/sauna, weight room and cardio centre, raquetball and squash court, and meeting rooms. The association has requested a capital grant of \$198,216.03 for the installation of an ultraviolet system for the swimming pool (\$100,000) and re-surfacing the indoor track (\$98,216.03)<sup>3</sup>.

The pool upgrade will improve water quality for the two swimming pools/whirlpool and accommodate persons susceptible to respiratory irritation, address the elimination of chlorine-resistant bacteria, and reduce the cost of chemical purification, heating and overall water consumption. It is hoped the difference in water quality will encourage increased enrollment revenues and decrease operating costs. The projected total cost of the pool project is \$130,000 and the Board have committed to funding up to \$30,000.

Staff recommend a one-time capital grant of \$100,000 towards purchase and installation of an ultra violet water purification system.

**4. Eastern Shore Recreation Commission, 67 Park Road, Musquodoboit Harbour - Arena**

The Eastern Shore Community Centre is owned by HRM and operated under a facility management agreement by the Eastern Shore Recreation Commission. The organization is a non-profit created under the Eastern Shore Recreation Commission Act (1970). The facility includes an arena and multi-purpose room. In the summer of 2008, the commission paved approximately 25% of the gravel parking lot and want to complete the paving project which has been a major source of public complaints and an increased cost in terms of winter cleaning. The centre abuts the Musquodoboit Harbour Peace Park which includes a trail, public park and playground which have also been impacted by site drainage issues. The commission has requested a capital grant of \$62,150 (HST included) for paving the parking lot.

Staff recommend a one-time capital grant of \$56,900 (excludes the refundable portion of HST) to complete paving the public parking lot.

**5. Halifax Forum Community Association, 2901 Windsor Street, Halifax - Arena**

The Halifax Forum complex is owned by HRM and operated under a facility management agreement by the Halifax Forum Community Association, a registered non-profit society. Presently, the venue has two arenas and a multi-purpose venue used primarily for events such as trade shows, concerts and conferences. The association has requested a capital grant of \$200,000 towards facility upgrades to enhance public safety/accessibility, reduce utility consumption (water and oil), and security

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<sup>3</sup> The staff review deemed the indoor running track to be only indirectly linked to the arena in terms of physical proximity and not aligned with the intent of the program's focus on arenas in terms of infrastructure.

enhancements.

**Staff recommend a one-time capital grant of \$100,000 towards public safety upgrades (\$59,500) and de-humidifier (\$40,500).**

#### **6. Lake District Recreation Association, 91 First Lake Drive, Lower Sackville - Arena**

The Lake District Recreation Association own and operate the Sackville & District Community Arena. This arena is one of the few in the region not owned by HRM<sup>4</sup>. The arena was built in the early 1970's and provides recreational programs for ice hockey, skating, and lacrosse. The group does not receive any core operating assistance from HRM. The association has requested a capital grant of \$289,930 for equipment and capital upgrades. Specifically, an ice re-surfacing machine, electrical upgrades to meet code, replacement of aging de-humidifiers, dasher boards and glass replacement, scoreboard replacement, chairs for events, dressing room upgrades, kitchen equipment, and spectator seating<sup>5</sup>.

**Staff recommend a one-time capital grant of \$100,000 towards the purchase of an ice resurfacing machine (\$83,500 HST excluded) and electrical panel/compressor upgrades (\$16,500).**

#### **7. Lions Club of Spryfield, 25 Drysdale Road, Spryfield - Arena**

The Spryfield Lions Arena was constructed in 1972 and operated by the Lions Club of Spryfield until 2004 when title was transferred to HRM due to prohibitive operating costs. The facility is now operated under a facility management agreement by the Spryfield Lions Arena and Community Management Association, a registered non-profit society. The facility includes an ice surface and a multi-purpose room. As noted in an Information Report to Regional Council dated December 14, 2004, the facility requires significant capital upgrades estimated to be \$1,100,000 to \$1,500,000 phased over a 5-year period. The club has applied for \$100,000 towards an ice re-surfacing machine, oil tank and lines replacement, and water, sewer and paving upgrades. The current ice resurfacing machine is 15 years old and if it should breakdown service would cease. The oil tanks and feeder lines also need replacement to meet code and prevent failure.

**Staff recommend a one-time capital grant of \$100,000 towards the purchase of an ice re-surfacing machine (\$83,500 excludes the refundable portion of HST) and oil tank/line replacement and safety bollards(\$16,500).**

#### **8. St. Margaret's Centre, 12 Westwood Boulevard, Upper Tantallon - Swimming Pool**

The facility is owned by HRM and operated under a facility management agreement by the St. Margaret's Community Centre Association, a registered non-profit. The existing outdoor pool is 25 years old and in poor condition. The association want to re-develop the existing pool as a shallow leisure pool (ie. wading pool, spray fountain etc) and add a new 6-lane swimming pool to increase the scope of use. The total project is estimated to cost ~\$800,000. Application has been made to the Nova Scotia

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<sup>4</sup> Other non-HRM arenas are owned by public institutions (ie. St. Mary's University, Dalhousie University, and the Department of National Defence: Shearwater).

<sup>5</sup> As per program policy the furnishings would not be considered eligible as a capital project.

Department of Health Promotion and Protection (\$300,000) but is unconfirmed. The applicant has requested a capital grant of \$100,000 but the balance of funding remains unconfirmed. Presumably, a \$100,000 grant from HRM would leverage the one-third matching requirement for provincial assistance.

**In the opinion of staff the written submission lacked sufficient financial detail or a development schedule to enable a firm recommendation regarding funding and to distinguish this application from a generic fundraising request. Further, the applicant makes reference to raising ~\$300,000 through an area rate; a process that requires approval through the HRM Interim Area Rate Guidelines and public consultation.**

**Given the uncertainty of the outcome of an area rate process, staff recommend an amount of \$100,000 be held by HRM pending a presentation by the St. Margaret's Centre to assess the feasibility of funding, public demand, and the long-term impact of this venture on both revenues and operating expenses.**

**HRM staff will provide written feedback to the proponent detailing the type of information required. A meeting will be convened with review team technical staff, district councillor, and a representative from the Nova Scotia Department of Health Protection and Promotion to assess a funding strategy and realistic development timelines. A supplementary staff report will be submitted to the HRM Grants Committee.**