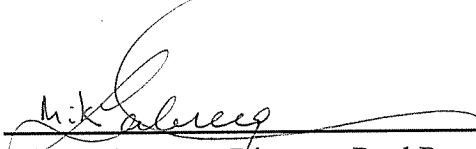
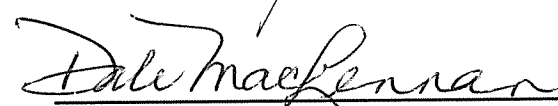


Halifax Regional Council
March 4, 2003

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


Mike Labrecque, Director, Real Property and Asset Management


S. Dale MacLennan, Director, Financial Services

DATE: February 16, 2003

SUBJECT: Sackville Sports Stadium Operational Review

INFORMATION REPORT

ORIGIN

1. Staff Information Report, dated December 2, 2002, and Report to Council by representatives of Lake District Recreation Association and Sackville Sports Stadium, presented on December 17, 2002.
2. Motion by Council on December 17, 2002, to direct staff to "carry out a review of operations at the Sackville Sports Stadium with a view to establishing a cash management plan to address the current liabilities to the municipality and recommending a required level of subsidy to operate the facility in an economical and effective manner."

BACKGROUND

The Sackville Sports Stadium facility is owned by the Municipality and operated by Lake District Recreation Association (LDRA) under the terms and conditions of a Management Agreement signed in September 1998.

Recently the Stadium reported a substantial operating deficit for the year ended March 31, 2002. Staff brought forward an Information Report to Council on December 10, 2002, discussing the situation. This Report also outlined an action plan by staff to review the operation further to establish a cash management plan and a recommended level of subsidy to operate the facility in an economical and cost effective manner. The Executive Director of the Sackville Sports Stadium and the president of the Lake District Recreation Association followed this up with a presentation to Council on December 17, 2002. Following these two reports Council then directed staff to carry out an Operational Review of the Sackville Sports Stadium and report back in late February, 2003.

DISCUSSION

An Operational Review Team was assembled with membership as follows:

- staff member from Real Property and Asset Management as chairperson
- staff member from Recreation, Heritage and Culture
- staff member from Financial Services
- a General Manager of another HRM major facility
- member from NS Sport and Recreation Commission
- external accountant assistance as required

The Review Team prepared a list of areas to be reviewed , such as the original business plan that supported the expansion, fundraising, governance, accountability, staffing, and operations. Over the course of the past month and a half the Review Team has been researching and reviewing materials made available, conducting interviews with Stadium staff, and have met with the Stadium Executive Management Committee. The Review Team is now compiling their recommendations and preparing their final report. Due to the extent of this exercise, an additional two weeks time will be required to complete this report. Therefore, staff now anticipate bringing the findings of the Operational Review to Council in mid-March.

BUDGET IMPLICATIONS

There are no identified budget implications that will result from an extension of an additional two weeks to finalize the report.

However, there are significant potential budget implications in the range of \$250,000 to \$400,000 after the implementation of substantive operational recommendations included in the report. In order to bridge the Sackville Sports Stadium from the present position to a steady state within the ranges mentioned, there are a number of one-time adjustments required related to the accumulated deficit.

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

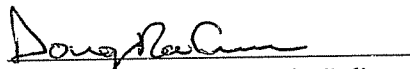
Not applicable.

ATTACHMENTS

There are no attachments.

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:



Doug Rafuse, Manager, Service Delivery, Real Property and Asset Management 490-6205