



COMMUNITY PLANNING & ECONOMIC DEVELOPMENT  
STANDING COMMITTEE  
MINUTES

January 23, 2014

PRESENT: Councillor Lorelei Nicoll, Chair  
Councillor Wayne Mason, Vice Chair  
Councillor Jennifer Watts  
Councillor Gloria McCluskey  
Deputy Mayor Darren Fisher

REGRETS: Councillor Tim Outhit

STAFF: Ms. Karen Brown, Senior Solicitor  
Mr. Mike Labrecque, Deputy Chief Administrative Officer  
Ms. Sheilagh Edmonds, Legislative Assistant

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**1. CALL TO ORDER**

The Chair called the meeting to order at 2:04 p.m. in the Council Chamber, City Hall.

**2. APPROVAL OF MINUTES:**

**MOVED by Councillor Watts, seconded by Councillor Mason that the minutes of December 12, 2013 be approved. MOTION PUT AND PASSED.**

**3. APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS**

Additions:

- 10.1 Destination Halifax Service Agreement
- 10.2 Status Sheet – Councillor Watts
- 10.3 Information Report on Youth Engagement – Councillor Watts

The Chair advised that the Committee may not have time to deal with the added items and if this was the case, the items would be brought forward to the next regular agenda.

**MOVED by Deputy Mayor Fisher, seconded by Councillor McCluskey that the agenda be approved as amended. MOTION PUT AND PASSED.**

**4. BUSINESS ARISING FROM THE MINUTES/DEFERRED ITEMS: None**

**5. CORRESPONDENCE, PETITIONS & DELEGATIONS**

- 5.1 Correspondence: None
- 5.2 Petitions: None
- 5.3 Presentations:
  - 5.3.1 Offshore Energy Research – Stephen Dempsey

A Power Point presentation was submitted.

Mr. Stephen Dempsey, Executive Director of Offshore Energy Research Association advised that the OERA is an independent contract research not-for-profit corporation set up to lead energy research that enables the sustainable development of Nova Scotia energy resources through strategic partnerships with academia, government and industry. Their purpose is to reduce the risks related to investments in Nova Scotia's offshore energy resources through the provision of scientific research initiatives.

Mr. Dempsey provided an overview of the organization. He then reviewed current circumstances for marine renewable energy and for offshore petroleum energy; the research priorities they have identified, and how they will be supporting and implementing these priorities; stakeholder engagement; and the business case for

investments in tidal energy. He noted that his presentation would identify for HRM opportunities for economic growth and development.

Mr. Dempsey responded to questions and was thanked by the Chair for his presentation.

**6. MATTERS REFERRED FROM REGIONAL COUNCIL / OTHER STANDING COMMITTEES:** None

**7. REPORTS:**

7.1 Multi-District Facilities Governance

A staff report dated November 1, 2013 was submitted.

Mr. Brad Anguish, Director, Community and Recreation Services; and Ms. Denise Schofield, Manager, Regional Recreation and Culture provided a presentation on the submitted report.

Mr. Anguish began the presentation by advising that March 19, 2013 Regional Council declared Phase 1 (the reporting and accountability phase of the Multi-District Facilities (MDF) Project) as complete, and then directed staff to undertake work on Phase 2, including a review of the current governance structure. He advised that the report submitted today is in response to that direction. Mr. Anguish provided context for the presentation noting that the governance surrounding 70 percent of HRM's total annual recreation expenditures is delegated to arms-length organizations, and is beyond Regional Council's direct control of taxpayer's investment. In their research, staff determined that this system has been in place for 30 years and more, and staff could not find any in-depth review of governance along the way.

Mr. Anguish reviewed the recommendations contained in the staff report.

Mr. Anguish stressed that this package of recommendations was an interim step; and today staff is looking to find out whether the Committee wants staff to explore this approach and look at the details of it; and if so, staff would do so in consultation with boards of the multi-district facilities. Mr. Anguish emphasized that this is not a 'done deal', and that the current recommendations should in no way be seen to reflect negatively on the outstanding work of the board volunteers and employees who have been serving these facilities and who have been up against some very challenging obstacles over the years.

Ms. Schofield reviewed the current situation with respect to the MDF's highlighting the following points:

- The 8 multi-district facilities are governed through largely out-dated management agreements

- The facilities represent 51% of the total recreation expenditures and their replacement value is 42% of the entire replacement value of HRM's recreation network
- Many of the management agreements haven't been updated to reflect current standards
- MDF's are required to achieve full cost recovery for operating expenditures
- Current combined annual operating deficit is \$1.5 million and trending upward
- Combined operating and capital debt owing to HRM is \$13.4 million
- The debt owing has a range of, some facilities owing none, to the largest, owing \$5 million

Ms. Schofield noted that since amalgamation, operating conditions for MDF's have changed and had an impact, such as the following:

- The increase in private sector fitness facilities
- An increase in HRM facilities, essentially resulting in HRM competing with itself, and thus impacting the sustainability of the entire network
- The decline of bingo revenues has had a big impact, as it was often a large revenue stream for the MDF's.
- Changing demographics, i.e. an aging population, two working parents
- Financial impacts such as increased insurance requirements and costs, and utility cost increases
- Increased regulations
- The demands on volunteers have increased, and volunteers are looking for shorter commitments such as specific or event type of volunteer work.

She reviewed the challenges facing the system, pointing out the following key factors:

- The 100 percent cost recovery model has inadvertently created a two-tiered system.
- The pricing increase in providing programs is putting pressure on HRM and other not for profit service providers to fill the gap
- Facilities tendency to spend and or grow revenues rather than cut costs leading to increasing deficits and significant capital demands.
- There isn't a regional focus so the network isn't being looked at as a whole.
- The business systems and processes among MDF's remain siloed
- Demands on volunteers are increasing
- HRM has not carried out a full Needs Assessment when a facility has opened

Staff challenges include:

- Inconsistencies in that two of the MDFs have HRM staff and the others have non-HRM staff
- Some positions are unionized and others are not
- Various pay levels
- Competition between facilities for staff

Ms. Schofield noted that the opportunities that exist in a transition to a single regional recreation governance approach for all HRM facilities would give a regional approach to service delivery; the removal of the model of 100 percent cost recovery; reduced competition between HRM facilities; and it would provide for optimized pricing, centralized scheduling and mobile membership. Financially, the benefits include projected savings in excess of \$1 million; integration of HRM and MDF staff resources and business processes, optimized pricing, and centralized scheduling and mobile membership

In conclusion, Mr. Anguish explained that in the next steps, should the Committee and Regional Council approve the recommendations, staff will develop a phased transition plan and governance options for Council's consideration; consult with the current facility boards and staff, and collaborate with the Governance Review Project for optimal Advisory Committee Structure; and maintain and support current Board structure and management agreements, to minimize impact on citizens, staff and budgets. Staff would then return to Regional Council in the fall of 2014 with options

Councillor Watts thanked staff for the report and presentation; and she asked that the presentation be provided online at the agenda webpage. Councillor Watts also expressed her appreciation to those MDF general managers who were in attendance at today's meeting.

**MOVED by Councillor Watts, seconded by Councillor Mason that, whereas Halifax Regional Council seeks to establish an efficient and effective regional network of recreation infrastructure that embraces its Healthy Community priorities of inclusion, accessibility and meeting the needs of all HRM citizens, it is recommended that Community Planning and Economic Standing Committee recommend that Regional Council direct staff to:**

- 1. Consult with the current volunteer Boards of the Multi-District Facilities (MDFs) to explore options for the establishment of a Regional Advisory Committee(s) structure that would provide advice regarding the provision and programming of all HRM recreation infrastructure;**
- 2. Develop a transition plan for Regional Council's consideration that transfers direct operational oversight of HRM's MDFs to Halifax Regional Council and addresses the following objectives:**
  - a. Creates a regional advisory committee(s);**
  - b. Establishes a regional funding model;**
  - c. Initiates the absorption of the outstanding operating and capital debts of the facilities;**
  - d. Restores appropriate and legally defined employer relationships for the operation of the facilities;**
  - e. Addresses the Auditor General recommendations related to the administrative functions of the Agencies, Boards and Commissions;**  
**and**

- f. Creates cost efficiencies for rate payers for the delivery of recreations services;**
- 3. Maintain and support the current MDF Boards and direct that no new boards be created for HRM owned recreation facilities until the transition plan and governance options are considered by Regional Council; and**
  - 4. Return to Regional Council with the transition plan and advisory board governance options to complete Phase 2 of the MDF Project no later than the fall of 2014.**

Councillor Watts advised that what speaks to her in the report and is game changer is the recognition that the MDF's have been working under a process whereby they have to have 100 percent cost recovery. This has been a big challenge for these facilities and she supports staff's direction on this. Also, Councillor Watts noted that HRM has not facilitated a collaborative process to identify the issues in an effort work through them. She pointed out that some of the Boards have tried to address the issues and that perhaps, by HRM leading a facilitated discussion, they could work through them. Councillor Watts also advised that communication is important and she wanted to note that not all the problems identified in the report are in all the MDF's and to have recognition that there are issues for HRM to be concerned about, but it doesn't necessarily mean that these are issues with all of the Boards.

Councillor McCluskey indicated she was disappointed with the report, advising that staff did not make any contact with the Boards on this report. She questioned why Alderney Landing was included as it was not a multi-district facility. She also questioned what staff meant when saying that they wanted to reduce competition within HRM facilities.

In response, Mr. Anguish provided an example of competition among HRM facilities, explaining that when a facility such as the skating Oval opens, it impacts on the revenues of arenas in the area. He advised that under a regional network approach, analysis would be done beforehand so the impact of the decision on the regional network would be understood. With regard to why Alderney Landing was included in the scope of the review though it is not a multi-district facility, Mr. Anguish advised that it was struggling to meet its bottom line; it was required to make full cost recovery, and that the building footprint is used to do this by providing space for rental.

Councillor Mason addressed the report and advised that he would require more information before he was prepared to forward this to Council. He also advised that in reviewing the report he feels the Boards have been doing what they have been asked to do, and that the Boards need to be more engaged. He noted that other cities have community boards running these facilities and are successful, and that this was worth considering. Councillor Mason added that he didn't feel the goals were clearly spelled out, and pointed out that he liked the idea of a community access plan for the MDF. He felt that a Regional Advisory Committee is something that should happen but not at the expense of Board governance. He also advised that the YMCA will soon be filling the role of an MDF on the Peninsula and he was concerned how this proposal will impact the YMCA.

Mr. Anguish advised that the next phase would be looking at Board Structure, adding that and this would involve dialogue with the Boards.

Deputy Mayor Fisher advised that he could not support the motion on the floor and that the report did not have enough detail.

Mayor Savage was in attendance and addressed the matter. He suggested that this was the beginning of the process and not the end. In his view Council should be looking for better consistency, and the overriding issue for him in this matter was access for the residents of HRM.

Councillor Craig was also in attendance and spoke in support of report, and noted that the Municipality needs to do better in regard to MDF's and staff recognize this matter. Councillor Mason indicated that he wanted further information before he was prepared to forward the matter to Regional Council and, in this regard, he was prepared to move a motion referring the staff report back to staff with a request for a supplementary staff report.

Councillor Watts concurred advising that it would be helpful to have feedback first from the Boards before considering forwarding this to Council.

**MOVED by Councillor Mason, seconded by Deputy Mayor Fisher that:**

**Whereas the Community Planning and Economic Development (CPED) Standing Committee requires more information about the financial and social impacts of changing or eliminating the community board structure from MDFs, and**

**Whereas CPED requires further exploration of the linkage between determining the principles and purpose that guide MDF operations to possible revisions of the governance structure**

**That CPED refer this matter to staff for a supplementary report that will include further consultation with MDF Boards that recognizes the principles outlined in the report as well as consideration of the following:**

**That MDFs can no longer necessarily break even on own source revenues while meeting the public good for which they are intended**

**Presents the financial costs and benefits of a coordinated MDF system through Board Governance contrasted with direct HRM control**

**That a universal MDF community access plan which enshrines HRM Council's Healthy Communities priorities - inclusion, accessibility and unstructured pay should be developed.**

**Community based programming is essential to the success of these facilities**



**HRM will move forward with compatible integrated technology at MDFs regardless of final governance structure**

**HRM will move to standardization of procurement, maintenance practices, safety practices, and fee structure across the MDF network.**

**That a regional advisory council be created to advise, facilitate and coordinate in an ongoing fashion between the MDF Boards and HRM.**

**And any other related issues and principles outlined in the staff report and the CFMP process that should be considered during this dialogue with the MDF Boards.**

**MOTION PUT AND PASSED.**

The Committee recessed at 4:10 p.m.

The Committee reconvened at 4:20 p.m.

## **7.2 5 Year \$50 Million Capital Improvement Campaign - Supplementary Report**

A Supplementary Staff Report dated January 23, 2014 was submitted.

**MOVED by Councillor Mason, seconded by Deputy Mayor Fisher that the Community Planning and Economic Development Committee recommends Regional Council:**

- 1. Endorse public realm improvement project list for eligibility under the 5 Year, \$50 Million Capital Improvement Campaign, as described in the project identification and evaluation section of the January 23, 2014 staff report;**
- 2. Commit to a \$50 million program, contingent upon other levels of government funding with one third municipal contribution of \$17 million spread evenly over the five years, beginning with \$3.4 million in fiscal year 2014/15;**
- 3. To authorize staff to enter into negotiations with the federal and provincial governments on partnership agreements and funding of the public realm improvements identified in the January 23, 2014 staff report; and**
- 4. To endorse the creation of a strategic urban reserve to fund the on-going maintenance and renewal of the projects proposed in the 5-year public realm improvement campaign and similar future projects, as well as urban core beautification, pole free area, public art and other streetscape improvements; and direct staff to bring a reserve fund business case as outlined in the staff report no later than spring 2015.**

Councillor Mason noted that he added a sentence to recommendation 4 because he wanted to put a time-frame around it, so it will be fully articulated in the year.

Staff indicated that they did not have any concern about the addition to recommendation 4 presented by Councillor Mason.

Deputy Mayor Fisher indicated that he could support the recommendation however, he felt the report was very Halifax-centric, and wanted to note that the urban core is more than just downtown Halifax.

### **MOTION PUT AND PASSED.**

#### **8. PRESENTATION REQUESTS:**

8.1 Amy Melmock, General Manager, Neptune Theatre – March Meeting

**MOVED by Councillor Mason, seconded by Councillor Watts that the request for presentation by Amy Melmock, Neptune Theatre be approved for the March meeting. MOTION PUT AND PASSED.**

#### **9. MOTIONS: NONE**

#### **10. ADDED ITEMS:**

10.1 Destination Halifax Service Agreement

Due to time constraints this item was forwarded to the Committee's next regular agenda.

10.2 Status Sheet – Councillor Watts

Due to time constraints this item was forwarded to the Committee's next regular agenda.

10.3 Information Report on Youth Engagement – Councillor Watts

Due to time constraints this item was forwarded to the Committee's next regular agenda.

#### **11. NOTICES OF MOTION:**

11.1 Councillor Watts

Councillor Watts gave Notice that at the next meeting of the Community Planning and Economic Development Standing Committee she will request a staff report to respond to requests for HRM staff engagement with Imagine Bloomfield on re-investment

parameters in the Bloomfield redevelopment as conceived in the Bloomfield Master Plan (specifically an appointment of a staff representative to work with Imagine Bloomfield to scope out reinvestment parameters) and the development of a report to Council outlining a potential re-investment strategy, anticipated outcomes and impacts on the property and HRM.

#### 11.2 Councillor Mason

Councillor Mason gave Notice that he will request at the next meeting of the Community Planning and Economic Development Standing Committee a presentation by the manager responsible for HRM Parks regarding short and long term issues in HRM parks, such as off leash dog concerns, maintenance, and programming and planning for parks.

#### 11.3 Councillor Mason

Councillor Mason gave Notice that at the next meeting of the Community Planning and Economic Development Standing Committee he will request an update on HRM's efforts to support volunteers in our communities and the impact of the removal of community developers from these communities, with the goal of understanding HRM's current efforts, and how HRM can build capacity and better support volunteers in our communities.

#### **12. IN CAMERA: NONE**

#### **13. NEXT MEETING DATE: February 13, 2014**

#### **14. ADJOURNMENT**

The meeting adjourned at 4:35 p.m.

Sheilagh Edmonds  
Legislative Assistant

The following information items were submitted:

- Information Report dated January 14, 2014 - Special Arts and Culture Advisory Committee Recommendations
- Information Report – dated January 7, 2014 – Youth Engagement Report