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**Item No. 11.1.4**  
**Halifax Regional Council**  
**September 14, 2010**

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

Original Signed by

A handwritten signature in black ink, appearing to be "Wayne Anstey".

**SUBMITTED BY:**

Wayne Anstey, Acting Chief Administrative Officer

Original Signed by

A handwritten signature in black ink, appearing to be "Mike Labrecque".

Mike Labrecque, Deputy Chief Administrative Officer

**DATE:** August 20, 2010

**SUBJECT:** Amendment to Sustainable Community Reserve Business Case (Q127):  
Adventure Earth Centre Program Expansion

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**ORIGIN**

This report originates from Staff.

**RECOMMENDATION**

It is recommended that Halifax Regional Council approve the revised business case for the Sustainable Communities Reserve, Q127.

## **BACKGROUND**

### **Sustainable Communities Reserve**

In 2004 Regional Council approved the creation of a Sustainable Communities Reserve following approval of a Federation of Canadian Municipalities (FCM) Reinvestment Program. FCM offered Halifax Regional Municipality (HRM) a low interest loan under the agreement that the interest savings would be used for building community capacity around sustainability. Examples of initiatives and projects performed from the fund include:

- Over \$500,000 of Energy Efficiency Projects, and enabling leveraging of over \$2 million of other funding for Energy Efficiency Projects
- Public Transit Emissions Reduction and BioFuel Projects
- Commuter Trip Reduction Projects
- Pollution Prevention Projects
- Sustainability Training
- Anti Idling Projects

The Reserve has been transformational and a key reason of HRM's success in achieving recognition as a leading municipality around environmental initiatives.

### **Adventure Earth Centre**

HRM Adventure Centre, since 1981, has engaged more than 60,000 young people in award-winning, experiential programs at the cutting edge of environmental education, youth leadership and outdoor recreation in Canada. Each year, more than 2,500 children and 200 youth leaders participate in experiential programs of a day or more. In 2003, the HRM Adventure Earth Centre (AEC) received the Canadian Parks and Recreation Association national award for long-term excellence in service (based on a 20 year period) and the Canadian Environmental Education and Communication Network award for excellence in environmental education by a government organization.

Appreciating, understanding and caring for ourselves, each other and the earth are basic skills as we move into the 21<sup>st</sup> century. The Adventure Earth Centre takes a positive, values-building approach to developing a rewarding and healthy lifestyle. Our programs use exciting, active experiences in the natural world that are filled with magic and adventure as the foundation for developing appreciation, understanding, and caring. These experiences then become a springboard for focused activities and reflection back at home and school in which young people begin making concrete changes in their lifestyles. This approach is based on the work of the Institute for Earth Education, a non-profit educational organization working across the globe.

Hands-on leadership opportunities for young people are a key element of everything we do and create powerful experiential opportunities for young people to strengthen their personal leadership and gain confidence and skills.

Examples of programs at the centre include Mindshift and Cycle Savers. The Sustainable Environment Management Office (SEMO) has collaborated with the centre this year to use these programs to further public education around environmental sustainability. Both of these programs involve going into high schools, teaching youth to lead a program and engaging with younger youth (i.e., typically a Grade 11 or 12 delivering to a Grade 3 or 4). This method is extremely effective at building environmental awareness. We have also seen the transformational effect youth can have on adults when either Mindshift is performed for an adult audience, or adults attend and participate in Adventure Earth Centre Activities (such as the Earth Day earth Walk).

Growth of the program, which would be funded under this amendment enables offering to additional high schools and engaging with more people in the community. It would also enable the acquisition of tools, equipment and props needs for the centre that are a challenge to acquire with tight operational budgets.

In 2002, HRM printed 3000 copies of a book, Earth Adventures in the Halifax Region, and sold locally for \$14.95 Canadian. The book sold out. All funds were directed to General Revenue. Earth Adventures in the Halifax Region is a family oriented games book for youth that helps them experience trails in the region.

## **DISCUSSION**

Several years ago, the Adventure Earth Centre printed 3,000 copies of the book and sold out. Revenues were directed to General Revenue. As a result, and a result of tight recreational budgets, this Environmental Education tool was not re-offered. It has not been available for a couple years. This is a lost opportunity. This proposed amendment to the Sustainable Community Reserve will enable HRM to create a new funding stream by printing and selling of these books.

No existing revenue sources (i.e., program fees) would be altered under this proposed amendment.

Due to the success of the strategic collaboration between SEMO and the Adventure Earth Centre, and the profound results from this, expansion of the Mindshift program is in the Corporate Business Plan for 2010/ 2011

(see page 29: <http://www.halifax.ca/budget/documents/CorporatePlan2010-11WebRes.pdf>).

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Environmental Education is a key action for the SEMO Office service delivery. Using the work at the Adventure Earth Centre, we are able to engage discussions with Environment Canada, Nova Scotia Department of Environment, and several groups and NGO's on environmental education. There clearly appears to be opportunity to collaborate on education opportunities, and an appetite from other groups to support the work through the Adventure Earth Centre. Recreation and SEMO staff are preparing Sponsorship Solicitation packages to enable potential funders to purchase advertising thru AEC products and participate in environmental education programs.

The revised business case is attached.

**BUDGET IMPLICATIONS**

It is anticipated that the project will print 3,000 copies costing approximately \$5 per book, selling for approximately \$20 per book, which will net HRM approximately \$45,000, depending on the negotiations with potential resellers. The costs of the books will be paid from within the existing D948 operating budget.

Revenue from the sale of the books will be deposited to the Sustainable Communities Reserve and net funds will be specifically dedicated to expansion of Adventure Earth Centre Programming. This will also Enable the Adventure Earth Centre to use the Sustainable Communities Reserve as a funding source for program expansion. New funding sources may include sponsorship solicitation, donations, and/or other commercial projects initiated by staff and participants at the Adventure Earth Centre.

Other funding projects may bring an estimated additional \$5,000 per year to the Centre (e.g., Sponsorship or revenue for Mindshift performances).

Staff from Finance have confirmed availability of funding.

**FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

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

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**COMMUNITY ENGAGEMENT**

SEMO (Sustainable Environment Management Office) staff did not perform community engagement for this specific action. However, ongoing discussions with Adventure Earth Centre stakeholders, and potential funding sponsors have been ongoing to explore opportunities to support the Centre.

**ALTERNATIVES**

Regional Council may choose to not accept the recommendation.

**ATTACHMENTS**

Attachment 1: Revised Business Case

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.

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Financial Approval by: \_\_\_\_\_  
Cathie O'Toole, CGA, Director of Finance, 490-6308

Report Approved by: \_\_\_\_\_  
Phillip Townsend , Director, Infrastructure and Asset Management, 490-7166

Original Signed

# Reserves Business Case

Halifax Regional Municipality • Financial Services • 490-3696

**Date:** June 7, 2004

**Revised:** Sept 14, 2010

**Contact:** Phillip Townsend, Director, Infrastructure and Asset Management

## HRM Sustainable Community Reserve, Q127

### Purpose

Under the terms of the agreement with the Federation of Canadian Municipalities (FCM), the Sustainable Community Reserve will be used to fund activities that support the general objectives of FCM's Green Municipal Investment Fund (GMIF), and supporting corporate and community capacity building around sustainability.

### Sources of Funds

While the initial source of funds for this reserve is FCM's Green Municipal Investment Fund, other potential sources are identified for the future development and expansion of the fund.

### Primary Funding

#### **FCM Green Municipal Investment Fund:**

The Halifax Harbour Solutions Project is borrowing \$20 million from the FCM's Green Municipal Investment Fund for a ten year term at a reduced interest rate. The difference between that subsidized rate and the rate that is paid on the remainder of Harbour Solutions' permanent financing must be dedicated to activities that support the general objectives of FCM's Green Investment Fund. This will be accomplished by contributing this interest differential to the Sustainable Community Reserve.

### Potential Funding

#### **1. Corporate Contributions:**

HRM regularly partners with local and national businesses and organizations to implement community programs, organize special events, and educate the public. Corporate donations will be solicited to support this reserve, with appropriate recognition of companies that want to support the municipality and its residents to act in more environmentally sustainable ways.

## **2. Public Partnerships:**

Federal, provincial and public agencies have matching funding programs for environmental projects. This reserve could provide matching and/or seed funding to help leverage funding from these other sources, enabling other opportunities. The matching funds from non HRM agencies would be administered through the Sustainable Community Reserve.

## **3. In-Kind Opportunities:**

HRM may participate in environmentally sustainable projects through contributions in-kind. This reserve will function as a repository for cash contributions from partners.

## **4. Financial Savings:**

The reserve may invest in projects with environmental goals such as reducing greenhouse gas emissions. For example, should a project reduce greenhouse gas emissions through reduced use of fossil fuels, financial returns will be generated through fuel savings and potential future sales of Emission Reduction Credits (ERC). There is an expectation that some or all of the funds advanced will be repaid. This will serve to preserve these reserve funds.

## **5. Adventure Earth Centre:**

The revenue generation of the Adventure Earth Centre, through the sale of “Earth Adventures in the Halifax Region”, and other revenue generating projects, including sponsorship and advertising revenue, excluding normal Recreation Services Revenue (ie Registration fees) will enable expansion of the fund specifically for expansion of Adventure Earth Centre and Youth Environmental Educational programming.

### **Application of Funds**

The Criteria for Candidate Projects, per Attachment “A”, will apply regarding application of funds for the balance of the reserve. Funding generated by the Adventure Earth Centre will be applied to expansion of Youth Environmental Education and Leadership Programs as collaboratively selected by the Manager of SEMO and the designated Recreation Services Management Team member.

### **Time Line**

The Sustainable Community Reserve is initially structured to complement the 10-year term of FCM financing for the Harbour Solutions Project. The reserve will be managed to acquire new corporate and partnership monies.

### **Management of Reserve Funds**

The HRM Sustainable Community Reserve funds are managed the same as other HRM reserves:

- cash balances are pooled and invested to generate maximum interest through HRM's global cash management plan;
- funds are accounted for separately in both HRM systems and audited financial statements;
- all disbursements are tightly controlled by the Accounting division of Financial Services and must follow the terms of the approved Business Case.

### **Approval Process**

The Sustainable Environment Management Office (SEMO) in consultation with Financial Services is responsible for ensuring the availability of funds and appropriateness of expenditures. SEMO, with recommendations from Sustainable Transition Team and in accordance with the terms of the FCM GMIF Agreement, will deliver multi- year project lists for funding from the reserve. Finance is responsible for ensuring availability of funds and appropriateness of expenditures in accordance to the Reserve Policy. These approvals are primarily done through the annual budget process or on an individual basis prior to being approved by Council.

### **Attachments**

“A” Criteria for Candidate Projects

“B” Sustainable Community Reserve Projection

### **Approval**

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CAO



**Attachment “A”**  
**Criteria for Candidate Projects**

Project Selection Process (Project Review Panel)

SEMO will put in place a project review and approval process and will establish project application requirements, procedures and time lines.

**General Criteria for Project Consideration:**

1. The HRM Sustainable Community Reserve is not intended to support ongoing HRM operating and capital infrastructure programs.
2. Projects must support the corporate theme of healthy, sustainable vibrant communities.
3. Project applications are encouraged that benefit all of HRM and representative (wherever possible) of all districts, rural, urban, suburban.
4. Proposed projects must clearly demonstrate the direct environmental benefits to HRM. This includes specific deliverables, targets and measurable results.
5. In any one fiscal year no single project shall access more than 50% of the total available funding from the Reserve for that fiscal year (April 1 - March 31).
6. Recognizing the importance of proper planning and actual implementation of projects, every effort will be made to maintain a balance between planning and implementation projects. The Project Review Panel will establish some general guidelines and parameters around this matter.
6. A Project Review Panel will be established to review and select project proposals that meet the criteria for funding from the Sustainable Community Reserve.

**Based on the Environmental Issues Statement of Principles in the Federation of Canadian Municipalities' Ten Point Action Plan for Sustainable Communities, projects will be selected that to the maximum extent possible:**

1. Encourage long-term sustainable community planning,
2. Take a pollution prevention approach to use resources more efficiently and minimize polluting emissions,
3. Promote the principles of user-pay and full cost accounting,
4. Integrate planning between municipal departments to achieve maximum benefits,
5. Include strong consultation with relevant stakeholder groups and the public at large, and
6. Achieve measurable reductions in the use of non-renewable resources or the production of greenhouse gases and other priority pollutants to air, water, and soil.

Attachment “B”

Sustainable Communities Reserve  
 Source and Application of Funds  
 Beginning in Fiscal 2010/11

<b>Fiscal</b>	<b>20010/11</b>	<b>2011 / 2012</b>	<b>2012 / 2013</b>	<b>2013 / 2014</b>	<b>2014 / 2015</b>
Opening Balance	79,250	\$36,517	29,517	32,517	35,817
Interest Rate Differential	295,000	\$280,000	\$266,000	\$246,300	\$226,050
Other Contributions (ie sales from Book)		\$10,000	\$10,000	\$10,000	\$10,000
Interest	3,000	3,000	3,000	3,000	3,000
Anticipated Projects	340,733	\$300,000	\$276,000	\$256,000	\$236,000
Closing Balance	36,517	29,517	32,517	35,817	38,867