

Item No. 11.3.1
Halifax Regional Council
August 7, 2012

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed
for Councilor Russell Walker, Chair, Audit and Finance Standing Committee

DATE: July 19, 2012

SUBJECT: Request for Comprehensive Review of Halifax Metro Centre
Operations

ORIGIN

July 18, 2012 Audit and Finance Standing Committee meeting and presentation given by Mr. Larry Munroe, Auditor General, on the review of the transfer of box office operations from the Halifax Metro Centre to Trade Centre Limited.

RECOMMENDATION

It is recommended that Halifax Regional Council authorize staff to:

1. Undertake a comprehensive review of the operations of the Halifax Metro Centre, including a specific review of the box office operations, the commission structure and the cost allocation process in place.
2. Issue and award an RFP for portions of this work as necessary.
3. Carry out this review, and any necessary follow-up, under the direction of HRM's Chief Financial Officer with quarterly updates provided to the Audit and Finance Standing Committee.

BACKGROUND

As outlined in the recently published report prepared by the Office of the Auditor General, the issue regarding the transfer of box office operations (Metro Centre Box Office/Ticket Atlantic) from the Halifax Metro Centre to Trade Centre Limited was raised in a previously released report entitled "*A Review of Concerts Held on the North Common - January 2006 to March 2011*". Information identified in that report resulted in a further review of the transfer and the preparation and release of the current report entitled "*Review of the Transfer of Box Office Operations from the Halifax Metro Centre to Trade Centre Limited*". The report is available for viewing on the Office of the Auditor General's website located at:
<http://www.halifax.ca/AuditorGeneral/documents/WebOKFinalTicketAtlanticJuly12.pdf>

DISCUSSION

Mr. Larry Munroe, Municipal Auditor General, presented his report entitled "*Review of the Transfer of Box Office Operations from the Halifax Metro Centre to Trade Centre Limited*" to the Audit and Finance Standing Committee on July 18, 2012. Following the presentation by the Auditor General, the Committee passed the motion requesting a comprehensive review of the operations of the Halifax Metro Centre, including a specific review of the box office operations, the commission structure and the cost allocation process in place. The Audit and Finance Standing Committee recommends that Halifax Regional Council approve authorization for staff to take action on the requested comprehensive review as outlined in the recommendations.

BUDGET IMPLICATIONS

The estimated cost of the review is anticipated to be in the \$50,000 range and will be funded through operation savings achieved in 2012/13.

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.

COMMUNITY ENGAGEMENT

The Audit and Finance Standing Committee meetings are open to the public.

ENVIRONMENTAL IMPLICATIONS

None indicated.

ALTERNATIVES

1. Halifax Regional Council may choose not to authorize staff to conduct a comprehensive review of the operations of the Halifax Metro Centre. This is not the recommended

review of the operations of the Halifax Metro Centre. This is not the recommended option.

ATTACHMENTS - NONE

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.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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