

**Item No. 11.1.1**  
**Halifax Regional Council**  
**February 19, 2013**

**TO:** Mayor Savage and Members of Regional Council

**SUBMITTED BY:** Original Signed by   
Mike Labrecque, Deputy Chief Administrative Officer  
Original Signed by Director  
Brad Anguish, Director of Community & Recreation Services

**DATE:** January 14, 2013

**SUBJECT:** Canada Games Centre – Interim Agreement

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**ORIGIN**

- August 12, 2008 Motion of Regional Council authorizing staff to begin the process of establishing a Community Board to oversee the management of the facility.
- Staff report dated June 22, 2009 on the Canada Games Centre Fundraising.

**LEGISLATIVE AUTHORITY**

*HRM Charter*; Section 79 (l) (k) and Section 75

**RECOMMENDATION**

It is recommended that Halifax Regional Council Authorize the Mayor and Municipal Clerk to execute the Interim Agreement for the operation and management of the Canada Games Centre (Attachment 1); such Interim Agreement to commence on the date it is executed by the Mayor and Municipal Clerk.

## **BACKGROUND**

In August 2008, Regional Council approved construction of the Canada Games Centre (CGC). The CGC is considered a multi-district facility (MDF) which includes multiple recreation services to the Region. Consistent with the alternate service delivery model for multi-district facilities, the CGC was intended to be managed by a community board. As directed by Regional Council, upon completion of the facility, a community board (Canada Games Centre Society) was recruited in January 2011 and took over responsibility for the operation of the facility after the 2011 Canada Winter Games.

The authority and requirements for the management of multi-district facilities are outlined in specific management agreements between HRM and the respective community boards. However, in November 2011, Regional Council directed staff to undertake a review of financial, reporting and community alignment aspects of the multi-district facilities. Part of this work will include an updated management agreement for each facility. As this work is currently underway, an interim agreement has been prepared for the CGC until completion of the MDF Project work.

It should be noted that the Canada Games Centre was recently named the “2013 Halifax Chamber of Commerce New Business of the Year”.

## **DISCUSSION**

The community board has been responsible for the management of the CGC since mid-2011. At that time, a memorandum of understanding had been prepared to formalize the relationship between HRM and the Board. However, staff was also undertaking initial work on the multi-district facilities at the same time which resulted in the November 8, 2011 report to Regional Council and subsequent direction to staff to review existing management agreements, financial reporting and alignment related to the multi-district facilities. Phase 1 of the work on the MDF review, including financial and management reporting, is completed and a summary report will be presented to Audit & Finance Standing Committee. As a result of the initial MDF work, staff revisited the consideration of a Memorandum of Understanding as the most appropriate mechanism for documenting the relationship between the CGC Society and HRM. Since the creation of a new management agreement for all of the facilities is part of Phase 2 of the MDF work, it is recommended that HRM enter into an interim agreement with CGC.

While the Board and staff of the CGC have been providing relevant and appropriate reports to HRM staff, formal acknowledgement of the agreement between HRM and the CGC Society, as well as the formal requirement for reporting to HRM, should be in place and can be achieved through the interim agreement. The proposed document (Attachment 1) provides clarity on the requirements of both parties while Phase 2 of the MDF Project work is completed and a new formal agreement is developed.

## **Funding History**

While most aspects of the interim agreement have been negotiated easily, agreement on the commitment for community fundraising has been challenging and has delayed completion of a proposed interim agreement. The following history of the fundraising commitment is relevant to Council's decision on acceptance of the interim agreement.

The construction of the CGC was completed in time for HRM's hosting of the 2011 Canada Winter Games and initially fell under the responsibility of the Canada Games Host Society. The CGC was funded through a cost sharing agreement with both the Federal and Provincial governments, resulting in an approximately one-third funding arrangement by all three levels of government. The funding model also included a \$2 million dollar community fundraising commitment. This commitment was outlined in the Build Canada Agreement for federal cost sharing approved by HRM in September 2008.

The Canada Games Host Society established by Regional Council in March 2007, was responsible to organize, manage, promote and conduct the Halifax 2011 Winter Games, including the operation of the Canada Games Centre during the Winter Games. As part of this responsibility, given that the Canada Games Host Society was involved with a fundraising campaign for the Games, the Canada Games Host Society approached HRM regarding the opportunity to pursue naming rights for the Canada Games Centre as part of the Canada Games sponsorship package. A campaign readiness review was undertaken in April of 2009, by RBR Development Associates, which recommended that a campaign not be pursued until the establishment of a Community Board to champion the fundraising effort.

In July 2009, Regional Council authorized the Canada Games Host Society to negotiate a contract for the naming rights of the Canada Games Centre on behalf of the Municipality, to proceed with a naming rights campaign with an expectation to be able to raise a portion of the \$2 million community fundraising goal and that any additional fundraising would still have to occur once a Community Board was in place. Although a naming rights strategic document was prepared, in the fall of 2009, the Canada Games Host Society was not successful in acquiring financial commitments. Therefore, the full commitment is still outstanding.

## **Interim Agreement**

As noted, the cost sharing agreement for the federal funding outlined a requirement for \$2 million in community fundraising. The agreement further outlines that "HRM agrees that if there are any shortfalls in the fundraising campaign, HRM has indicated that it will cover the cost difference through the implementation of a general local tax". In March 2010, HRM received the first installment towards the total Build Canada federal funding of \$12.0 million. Pursuant to the Build Canada Agreement, HRM is obligated to ensure the \$2 million community fundraising commitment has been met, otherwise, the Federal government can request repayment "of all or a portion of the contribution paid by Canada to the HRM".

While area rates have been used on occasion to fund a portion of construction of local community facilities, it has not been a common model for MDF facilities. However, an area rate has previously been used to fund the capital expansion of the St. Margaret's Centre. HRM's approved tax structure provides direction on the use of area rates as a funding mechanism, however, as a result of a recent request from Regional Council, this direction will be clarified in a future report from Finance staff.

In a letter to HRM, the CGC Society has outlined concern with the proposed interim agreement in relation to the community fundraising component (Attachment 2). The CGC Society does not envision fundraising as part of their mandate of operating the CGC on behalf of HRM. In addition, the CGC Board indicates that they were not aware of this commitment and requirement when they accepted positions with the CGC Board. While original orientation for the board members did include information on the fundraising commitment, membership on the Board has changed since the original recruitment and orientation. Information on this commitment may not have been provided to the current Board members.

Therefore, the CGC Society has proposed that the \$2 million dollar community fundraising requirement not be the sole responsibility of the Board and that the proposed interim agreement reflect this fact. The attached proposed interim agreement has been prepared to include a requirement for CGC to work with HRM on recommendations for meeting the \$2 million commitment during the term of the interim agreement

While the Board officially discussed the proposed interim agreement (Attachment 1) at their January 14, 2013 meeting, no motion was passed to accept the interim agreement. Rather, the Board opted to provide a written response to HRM outlining their concerns and suggested revised wording to the draft interim agreement (Excerpts attached as Attachment 3). Whereby the proposed interim agreement (Attachment 1) is intended to only be in place while the MDF Project work is completed, it is recommended that Regional Council approve the interim agreement without further amendments. This would ensure that there is no further delay in the formalization of the agreement for the operation of the CGC.

### **FINANCIAL IMPLICATIONS**

There are no specific financial implications associated with this report. However, it should be noted that the \$2 million of the project costs has not been recovered through the intended community fundraising and remains an outstanding funding commitment.

In addition, any requirements for financial support to CGC will form part of the respective annual budget process. Any financial impacts associated with the fundraising will be outlined in a subsequent report to Regional Council.

## **COMMUNITY ENGAGEMENT**

Extensive community engagement was completed as part of the design of the CGC. In addition, community members make up the CGC Society Board.

## **ENVIRONMENTAL IMPLICATIONS**

None noted.

## **ALTERNATIVES**

Alternative 1: Regional Council could choose to not implement the Interim Agreement with the CGC Society. This is not recommended as the community board delivery model is consistent with HRM's other multi-district facilities and the agreement is required to formalize the relationship between HRM and the CGC Society for the operation of the facility.

Alternative 2: Regional Council could choose to amend the attached Interim Agreement. This is not recommended as the agreement was negotiated with CGC Society and outlines the information required to support the MDF project work. Additional or amended clauses would delay implementation of this Interim Agreement but could form part of the future formal agreement.

Alternative 3: Regional Council could direct that the community fundraising commitment be addressed through an area rate at this time. While this option is outlined in the Build Canada agreement, it is not recommended as other options should be fully explored with the CGC Society and brought forward in a future report to Regional Council for consideration.

Alternative 4: Regional Council could choose to amend the Interim Agreement to reflect the excerpts included in Attachment 3. This is not recommended as the proposals have clear distinctions which would require further investigation.

## **ATTACHMENTS**

Attachment 1: Draft HRM Interim Agreement

Attachment 2: CGC Society letter dated January 18, 2013

Attachment 3: Excerpt from Written Response to HRM - CGC Society's Recommended Edits to Proposed Interim Agreement

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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: Denise Schofield, Manager, Regional Recreation & Culture 490-6252

Original Signed by Director

Report Approved by:

\_\_\_\_\_  
Marian Tyson, Acting Director, Legal, Insurance and Risk Management Services, 490-4219

Original Signed by Director

Financial Approval by:

\_\_\_\_\_  
Greg Keefe, Director of Finance & Information Technology/CFO, 490-6308

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Attachment 1

# Interim Agreement

Between:

**Halifax Regional Municipality**

And

**Canada Games Centre Society (Halifax)**



Halifax Regional Municipality  
Regional Recreation & Culture  
PO Box 1749  
Halifax, Nova Scotia B3J 3A5

tel: 902.490.6252  
fax: 902.490.5950  
[www.halifax.ca](http://www.halifax.ca)

This **Interim Agreement** made this \_\_\_\_ day of \_\_\_\_\_, 2013

BETWEEN:

**Halifax Regional Municipality**  
(hereinafter called "HRM")  
OF THE ONE PART

- and -

**Canada Games Centre Society (Halifax)**  
(hereinafter called the "CGC Society")  
OF THE OTHER PART

**WHEREAS** HRM wishes to encourage and facilitate a community based delivery of service to the public while maximizing efficiencies and opportunities for economies of scale;

**AND WHEREAS** HRM wishes to provide opportunities for different service delivery methods to be utilized and for comparisons of them to be made within the organization;

**AND WHEREAS HRM** is the owner of the Canada Games Centre located at 26 Thomas Raddall Drive, Halifax, Nova Scotia (the "CGC");

**AND WHEREAS** the CGC Society is a community based non-profit organization incorporated under the *Societies Act* of Nova Scotia, whose members and directors receive no financial benefit from their participation;

**AND WHEREAS** the CGC Society wishes to oversee the management, administration and operation of the CGC, providing a recreation and wellness experience consistent with the needs of the community; providing an environment where all levels of sport and recreation users can interact; and creating an inclusive gathering space for community.

**AND WHEREAS** HRM and the CGC Society anticipate entering into a formal agreement in the near future defining their relationship in respect of the operation of the CGC.

**IN CONSIDERATION of the mutual conditions and covenants contained herein and the provision of other valuable consideration, receipt of which is acknowledged, the parties hereto agree as follows:**



## 1.0 Definitions

When used in this Agreement, the following terms shall have the following meanings:

- a) “**CGC Society**” means Canada Games Centre Society (Halifax), a society incorporated under the *Societies Act* of Nova Scotia. The CGC Society is and shall remain during the Term of this Agreement and during any period of renewal thereof, organized and operated solely for a purpose other than profit, with no compensation to be paid to the directors and officers.
- b) “**CGC**” means the Canada Games Centre/Centre des Jeux du Canada (Halifax), hereinafter the “Canada Games Centre”, and adjacent parking areas, located at 26 Raddall Drive, Halifax, Nova Scotia.
- c) “**Commencement Date**” means \_\_\_\_\_.
- d) “**Council**” means Halifax Regional Council
- e) “**Fiscal Year**” means the annual period ending on March 31<sup>st</sup> or such other period as the Municipality may establish upon notice to the CGC Society.
- f) “**Interest Rate**” means that rate of interest that is earned by the Municipality on its investments from time to time.
- g) “**Municipality**” means Halifax Regional Municipality or HRM, its employees, agents and members of Council.

## 2.0 Purpose

HRM and the CGC Society have entered into this Interim Agreement to provide for the interim operation of the CGC, pending the determination of the appropriate model of service delivery for the CGC and the entering of a formal agreement between the parties defining their relationship in respect of the operation of the CGC. In furtherance of same, HRM hereby appoints the CGC Society as HRM’s agent, on an interim basis, to manage, promote, develop, operate and administer the CGC, on the terms and conditions set out in this Interim Agreement. The CGC Society hereby accepts such appointment. Pending and subject to the ratification of this Interim Agreement by Halifax Regional Municipality, this Interim Agreement will take effect immediately and continue to bind the parties until a formal agreement is entered into by HRM and the CGC Society, or until its earlier termination pursuant to the terms of this Interim Agreement.

## 3.0 Authority

For the purpose of operating the CGC in accordance with HRM’s objectives and service delivery standards determined by HRM Regional Council focus areas (Attachment A), the CGC Society is hereby authorized to manage and operate the CGC as agent for HRM solely for the purpose of carrying out the authority and responsibilities set forth in this Interim Agreement, subject to any limitations set forth in this Interim Agreement or in any notice in writing at any time delivered to the CGC Society.

In acting as the agent of HRM, the CGC Society shall abide such instructions as HRM may provide to the CGC Society from time to time. HRM shall execute and provide to the CGC Society any document or other evidence which may be reasonably required by the CGC Society to demonstrate to third parties the authority of the CGC Society as set out in this Interim Agreement.

The CGC Society will operate the CGC in compliance with all applicable laws and policies to ensure the safety of all persons present in the CGC and to preserve the CGC ensuring its value does not diminish and take all reasonable steps to safeguard the CGC and any assets associated with the CGC.

### **3.01 Limitation of Authority**

Unless expressly authorized by prior written direction or approval of HRM, the CGC Society shall not have the authority to do any of the following:

- a) Obtain loans for the CGC or HRM, whether secured or unsecured, or give grant options, rights of first refusal, deeds of trust, mortgages, pledges, security interests, or otherwise encumber the CGC or any portion thereof or any interest of the HRM therein, or obtain replacements of any mortgage or mortgages;
- b) Prepay in whole or in part, refinance, increase, modify, consolidate or extend any obligation affecting the CGC or any portion thereof, except to the extent contemplated and approved in writing by HRM;
- c) Cause HRM to extend credit or to make any loans or become a surety, guarantor, endorser or accommodation endorser for any person, firm or corporation;
- d) Cause HRM to enter into any contracts with respect to the CGC other than contracts in the ordinary course of managing the CGC ;
- e) Sell, exchange or convey the CGC or any portion thereof;
- f) Release, compromise, assign or transfer any claim right or benefit of the HRM, except with the written authorization of HRM;
- g) Allow a default judgement to be entered against the CGC or any assets associated with the CGC;
- h) Modify, change or amend, in any material way, any drawings, maps, plans or specifications prepared for or in connection with the CGC;
- i) Grant easements or other property rights in the CGC; or
- j) Purchase or sell any real property, including the CGC or any part thereof, on behalf of HRM.

### **3.02 Leases**

Leases or short term rentals of space, and sponsorship agreements will only be with groups and organizations that do not conflict with HRM's corporate policies. The CGC Society will not enter into any lease or contract affecting the CGC with a term of in excess of 90 days on behalf of HRM, unless HRM has provided prior written approval of such agreement.

### **3.03 Purchasing Policy**

The CGC Society when making purchases shall access HRM's standing price agreements with good and service suppliers and ensure compliance with HRM's Administrative Order #35

Procurement Policy, as amended from time to time. With respect to the purchase of goods, supplies and services, the CGC Society shall comply with HRM's Tangible Capital Asset Policy, as amended from time to time.

The CGC Society shall follow the Province of Nova Scotia Sustainable Procurement Policy, as amended from time to time.

#### **4.0 Interim Agreement Non-Compliance**

Non-compliance with this Interim Agreement by the CGC Society could result, at HRM's sole discretion, in any or all of the following:

- a) Removal of the CGC Society as manager of the CGC and agent of HRM;
- b) Direct HRM management of the CGC;
- c) Reduction or elimination of funding and subsidies to the CGC Society;
- d) Other restrictions deemed appropriate to the non-compliance

#### **5.0 Mandate / Expectations**

During the term of this agreement, the CGC Society shall carry on no business other than that of the agent of HRM responsible for the management and operation of the CGC. The CGC was constructed with funding provided from different levels of government. These funds were provided with the expectation that the CGC would be utilized for the delivery of a mixture of services and programs. In providing its agency services, the CGC Society will comply with the Facilities operations, service and program objectives contained in this Interim Agreement in particular, the CGC Society shall honour and act in compliance with the expectations of the various levels of government that provided funding for the CGC.

#### **6.0 Roles and Responsibilities**

##### **6.01 Halifax Regional Municipality Liaison**

HRM shall designate an employee of HRM to be the HRM's representative and liaison with the CGC Society. The representative shall be the Manager of Regional Recreation & Culture or its successor or designate.

The HRM Manager of Regional Recreation & Culture will act as the liaison with the CGC Society and will be accountable to ensure that the CGC Society and HRM are operating the CGC in accordance with this Interim Agreement. The liaison representative is an ex officio member of the CGC Society Board of Directors, and entitled to attend all meetings of the CGC Society, its Board and committees. Upon request from the CGC Society, HRM may, in its discretion, provide advisory or other assistance (such as but not limited to HRM's Human Resources, Legal Services or Procurement departments) to the CGC Society.

##### **6.02 Halifax Regional Municipality Responsibilities**

To ensure the CGC Society is able to fulfill its mandate, HRM's representative shall:

- a) Report to Halifax Regional Council the business plans and annual reports submitted by the CGC Society, within time frames consistent with HRM's various business unit

submissions;

- b) Review quarterly results and provide financial feedback to the CGC Society and follow-up concerning significant financial variances;
- c) Review and respond to issues which require the approval of HRM Regional Council;
- d) Consult with the CGC Society before policies specifically impacting the operation of the CGC are established or implemented;
- e) Provide marketing and sponsorship research conducted by HRM relative to naming rights and sponsorship opportunities;
- f) Advise CGC Society of the intent to enter into a long term formal agreement concerning the operation of the CGC, in writing and within 90 days of the expected agreement approval;
- g) Advise the CGC Society of a request to renew the Interim Agreement pending a formal agreement, in writing no later than 90 days prior to the end date of the Interim Agreement;
- h) Meet with the General Manager of the CGC at least once every three (3) months, either in person, via conference call or other means of electronic communication. The purpose of said meetings is to be share information and discuss challenges association with the management of the CGC;
- i) Respond to requests from the CGC Society in a timely manner to allow for effective operation and management of the CGC by the CGC Society Board and staff. Requests should be responded to within two weeks and a plan of action developed

### **6.03 Capital & Commissioning and Deficiency Reports**

To facilitate final completion of the CGC building, HRM shall, subject to HRM's annual budget process and budgetary approval from Regional Council:

- a) Provide funding to the CGC Society to complete the CGC and its surrounding grounds to include all landscaping, exterior sign and air cooling systems for field house and track;
- b) Provide the CGC Society with all documentation relating to the CGC building, including: as-built drawings, warranty information, supplier source documents, completed commissioning report signed off by HRM and AMEC with all deficiencies completed; and
- c) Ensure all building, material and system deficiencies are in good working order.

### **6.04 Canada Games Centre Society**

To ensure HRM is able to fulfill its mandate, the Chair of the CGC Society Board of Directors shall:

- a) Submit an Annual Report to HRM, in accordance with this Interim Agreement, and in addition for any other reporting periods determined by HRM from time to time and as specified in this Interim Agreement, ensuring that all reports are complete and submitted to HRM in a timely manner;
- b) Identify and request resources required to fulfill its responsibilities;
- c) Ensure oversight of management of the CGC;
- d) Develop a strategy and delivery plan to achieve fundraising goals; fundraising can include sponsorship, naming rights, application of year end surplus, and any other funds not specifically identified;

- e) Notify HRM immediately if aspects of operations are expected to result in adverse financial performance;
- f) Keep HRM apprised of any issues or events which cause concern that staff and HRM Regional Council should reasonably expect to be notified including lawsuits, legal letters, injuries, system failures, etc.;
- g) Submit a business plan, as approved by the Board of the CGC Society, to HRM as part of the annual report submission. The business plan shall include the following components:
  - i) Vision and Mission Statements, ii) Strategic Priorities, iii) Goals, iv) Financial Information; v) Performance Measures, vi) Risk Analysis;
- h) Appoint a General Manager to operate the day to day activities of the CGC and ensure the annual review and satisfactory performance of the General Manager.
- i) Ensure employment policies are developed and implemented in accordance with all applicable Federal, Provincial, and Municipal legislation.

## **6.05 Canada Games Centre Board and Committee Meetings**

The CGC Society agrees that one representative from Council and one HRM staff representative is permitted to sit on the Board of Directors in a non-voting ex officio capacity.

## **7.0 Finances**

### **7.01 Revenues**

The CGC Society acknowledges that all revenues generated with respect to any activities associated with operation or management of the CGC are the property of HRM and that any revenues received or held by the CGC Society shall be deemed to be held in trust for HRM. Such monies shall be deposited to the operating account and used to pay operating expenses.

The revenues of the CGC includes all monies, proceeds, funds and revenues of every nature and kind received by the CGC Society in respect to the CGC whether by way of fees paid for services provided in or from the CGC or for the use of the CGC, or any part thereof, or by way of grants, gifts, sponsorships, bequests, donations, fund-raising or otherwise, saving and excepting, but only after there is no operating or long term deficit associated with the CGC, any monies or proceeds derived by the CGC Society under any valid license of the CGC Society to operate any form of lottery scheme such as bingo or any monies or proceeds derived by the CGC Society through third party fee-for-service agreements.

### **7.02 Collection of Fees**

The CGC Society shall collect the fees and charges (including all applicable taxes) for the use of the CGC and the services offered therein. All such fees and charges collected by the CGC Society shall be deposited in a bank account. HST and any other taxes collected in respect of the CGC's operations will be accounted for separate and apart from other fees and charges collected, and maintained in separate bank accounts, and any amounts payable will be forwarded on a monthly basis to HRM for remittance.

### **7.03 Operating Surplus, Deficit, and Subsidy**

If, in any fiscal year, a surplus is realized in excess of the amount budgeted and approved by HRM Regional Council in accordance with this Interim Agreement, that surplus can be used to underwrite continued operations or contributed towards a capital reserve as directed by HRM, upon consultation with the CGC Society. Any surplus used against future operations may impact the operating subsidy required.

If, in any fiscal year, a deficit is realized from the operating or capital budget, the Board shall prepare and submit a written report (the deficit report) at the time it submits its operating and capital budget to Council for the ensuing fiscal year outlining the magnitude of the deficit, the reasons, and the recommendation to dealing with it in the coming year. There is an expectation that as the CGC establishes itself in the market place it will achieve close to full cost recovery. However, the parties recognize that the nature of the programming activities are such that it is unlikely that the CGC will be capable of operating at 100% cost recovery solely on user fees. An amount of up to \$300,000 will be made accessible to the CGC Society in each current fiscal year if it is determined, in HRM's sole discretion, that the CGC is experiencing audited financial shortfalls. Should significant financial pressures occur in any given year HRM shall consider additional financial and administrative support, subject to Regional Council approval.

The funding for the CGC in HRM's next fiscal year will integrate into HRM's general practices regarding its Multi-District Facilities. To facilitate this integration, the CGC Society is expected to provide any required financial reporting documentation, and other information, in a timely manner, as determined and required by HRM from time to time, in assessing the CGC's service delivery requirements for consideration during HRM's upcoming fiscal year budgeting process.

## **8.0 Reporting**

### **8.01 Annual Reports**

The CGC Society shall provide an Annual Report to the HRM Liaison, Manager Regional Recreation & Culture, no later than 90 days after year end including the following components:

- 1) Financial Reporting
  - a) Audited Financial
    - i) Independent Auditor's report
    - ii) Balance Sheet
    - iii) Balance Statement of Operations
    - iv) Statement of Cash Flows
    - v) Statement of Changes in Net Assets
    - vi) Notes
  - b) Financial Reporting Templates as per the Financial Reporting Guidelines provided by HRM Finance

HRM retains the right to access or audit the operations of the CGC and the books and records relating to such operations at any time and from time to time.

- 2) Management Reporting
  - a) Annual Operating Budget by month for the upcoming fiscal year

- b) Quarter end financial results
  - i) Balance Sheet
  - ii) Statement of Operations
  - iii) Updated Annual Forecast
  - iv) Cash Flow Projection
- c) Annual Capital Budget for the upcoming fiscal year
- d) Annual Business Plan for the upcoming fiscal year
- e) Discussion and analysis of fiscal year results highlighting significant variances from budget and latest quarterly forecast and if applicable, the deficit report
- f) Annual report on all recreational program and sporting events held. Report will provide detailed membership numbers, participants per sporting event, recreational activities, rentals, etc.
- g) Other reports as HRM may reasonably require.

## **8.02 Quarterly Reports**

The CGC Society shall provide a Quarterly Report to the HRM Liaison, Manager Regional Recreation & Culture, no later than 45 days after each quarter end including the following components:

- 1) Financial Reporting
  - a) Financial Reporting Templates as per the Financial Reporting Guidelines provided by HRM Finance
- 2) Management Reporting
  - a) Discussion and analysis of quarter results highlighting significant variances from budget and latest quarterly forecast.
  - b) Discussion and analysis of updated annual forecast and significant variances against budget
  - c) Discussion and analysis on all recreational program and sporting events held. Report will provide detailed membership numbers, participants per sporting event, recreational activities, rentals

## **8.03 Monthly Report**

The CGC Society shall deliver to HRM, on a monthly basis, such information and supporting documentation as may be required for HRM to enable it to compute the amount of HST or other taxes collected by the CGC Society on HRM's behalf during the preceding month.

## **8.04 Fundraising Report**

The CGC Society acknowledges as part of the Building Canada Fund Agreement between HRM and the Federal Government, a requirement for community fundraising in the amount of \$2 million was included in the agreement. In order to meet the requirement, the CGC Society shall work with HRM to develop a strategy and plan, outlining the means to achieve this fundraising requirement prior to the expiry of this Interim Agreement, for inclusion in the future formal agreement between the parties. As noted previously in section 6.04 (d) this is not limited to fundraising. HRM will provide assistance to CGC Society in the review and implementation of the strategic plan, the extent of which will be determined upon review of the plan. Details of

assistance from HRM will be captured in the formal agreement between the parties.

## **9.0 Insurance**

HRM shall provide Property and Commercial General Liability insurance coverage for the CGC for the term of this Interim Agreement. The property insurance provided by HRM will only cover contents used by the CGC Society in the usual operation of a recreational facility such as the CGC. The CGC Society will be responsible to obtain and maintain, to HRM's satisfaction, such insurances as HRM may reasonably require, including, but not limited to, Director's Insurance for the Board of Directors and Officers.

## **10.0 Licenses and Permits**

The CGC Society shall obtain and renew as necessary all licenses, permits and approvals which may be required in connection with the operation and maintenance of the CGC. The CGC Society shall at all times comply with the conditions of such licenses, permits and approvals and shall comply with and observe all laws, by-laws and regulations applicable to the CGC and the operation thereof.

## **11.0 Staffing**

All personnel employed by the CGC Society in the management, administration and operations of the CGC, including, without limitation to the foregoing, the General Manager, are selected for employment by and will be employees of the CGC Society, and shall under no circumstances or at any time be deemed or implied to be employees of HRM. The CGC Society shall be solely responsible for the hire, dismissal, control, direction, supervision, instruction, and training of its employees. The wages, salaries and benefits of such employees are the responsibility of the CGC Society and shall be paid directly by the CGC Society. The entirety of the foregoing shall be a term of employment for anyone employed by the CGC Society.

### **11.3 HRM Human Resource Support**

HRM Human Resources staff will assist the CGC General Manager with short-term Human Resource requirements, specifically:

- a) CGC staff compensation review;
- b) Staff orientation package development; and
- c) Policy and procedures development.

### **11.4 HRM Finance Support**

HRM Finance will provide payroll services on a fee for service basis until an alternative service provider is selected. Payment shall be made in accordance with the due date on the invoices received from HRM.

## **12.0 Property of HRM**

All equipment, supplies, facilities and materials located in or purchased for the CGC at any time and all records, reports, books of account and other documents and materials relating to the



management, operation and maintenance of the CGC shall be and remain the property of HRM and will be made available to HRM for inspection at during regular business hours or otherwise, upon reasonable request.

The CGC is located adjacent to a ball field which is also on HRM lands. The ball field does not have standalone washroom facilities, but was instead intended to have access constructed as part of the CGC. Accordingly, the CGC Society shall permit ball field users and spectators access to the washroom facilities located in that part of the CGC which opens towards the ball field. CGC Society will not be responsible for damages to the CGC caused by ball field users and spectators. If the CGC Society and HRM are unable to come to a mutual resolution of issues relating to the origin of damages, final determination shall be at the sole discretion of HRM as the owner of both facilities.

### **13.0 Amendment**

This Interim Agreement shall only be amended by written agreement signed by both parties.

### **14.0 Notice**

All notices, demands, requests, approvals or other communication of any kind which the parties may be required or may desire to serve on each other in connection with this Interim Agreement shall be delivered by Registered Mail to:

#### **Halifax Regional Municipality**

Attention: Denise Schofield, Manager of Regional Recreation & Culture  
P.O. Box 1749  
Halifax, NS B3J 3A5

Or in person to:

Denise Schofield, Manager of Regional Recreation & Culture  
40 Alderney Drive, 2<sup>nd</sup> floor  
Dartmouth, NS

#### **Canada Games Centre Society (Halifax)**

Attention: Dr. Bill Stanish, Chair, Canada Games Society (Halifax)  
Canada Games Centre  
26 Thomas Raddall Drive  
Halifax, Nova Scotia, B3S 0E2

### **15.0 Duration**

This Interim Agreement shall be in effect for a period of one year from the commencement. It can be renewed upon agreement by both parties.

## **16.0 Termination**

This Interim Agreement may be terminated by either party upon six (6) months' written notice to the other party.

Termination of this Interim Agreement does not release either of the Parties from any obligations which accrued while the Interim Agreement was in force.

IN WITNESS HEREOF the parties hereto have properly executed this Indenture, to come into force and effect only upon ratification by the Halifax Regional Municipality Regional Council.

SIGNED, SEALED and DELIVERED

**Canada Games Centre Society (Halifax)**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date Signed

**Halifax Regional Municipality**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Mike Savage, Mayor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Cathy Mellett, Municipal Clerk

\_\_\_\_\_  
Date Signed

# Attachment A

## Corporate Plan

The Halifax Regional Municipality's Corporate Plan – with its priorities, outcomes, and objectives – is the strategic map for the municipality, with a focus on improving the quality of life for people in Halifax Regional Municipality, now and into the future. It reflects Regional Council's direction and focus areas and describes how HRM intends to achieve planned outcomes on behalf of the community. It also describes the Executive Management Teams priorities critical to optimizing the effective and efficient delivery of programs, services and policies to the citizens of HRM.

The Plan outlines how HRM will take our long term HRM Vision 2020, and address its objectives over the mandate of Council. The key objective of the Plan is that Councillors and staff will work together to achieve priorities identified by the community in the following six areas:

1. Safe, Inclusive & Welcoming Communities
2. Diverse Lifestyle Opportunities
3. Well Planned & Engaged Communities
4. Clean & Healthy Environment
5. Integrated & Affordable Transportation Networks
6. Economic Prosperity

The Corporate Plan enables the whole organization to work towards common outcomes. This means that the municipal budget, human resources and business planning are all linked to the strategic direction contained in the Corporate Plan.

The Corporate Plan is also a way for Council to communicate their areas of focus to its stakeholders; particularly HRM citizens, and provides a framework for reporting back on progress achieved through the various programs and services provided by the Municipality.

For more details, visit: [www.halifax.ca/budget/CorporatePlan/](http://www.halifax.ca/budget/CorporatePlan/)

Additional resources can also be accessed through the side links on this page.



January 18, 2013

Ms. Denise Schofield  
Manager of Recreation & Culture  
HRM Community Development  
P.O. Box 1749  
Halifax, N.S. B3J 3A5

Dear Ms. Schofield:

Further to our review of the proposed memorandum of understanding/interim agreement between the Halifax Regional Municipality and the Canada Games Centre Society, I wish to make the following comments.

As Chairman of the Board of the Canada Games Centre Society, I must protest against the leveling of a \$2 million requirement for community fund-raising.

At no time during the recruitment and formation of the Board of the Canada Games Centre Society was there ever a mention of a \$2 million indebtedness. Such an encumbrance was recently brought to the attention of our Board. This financial burden was imposed without our knowledge, endorsement or acceptance.

Realizing that the Council of HRM may have made such a commitment to meet Federal requirements - in the early phases of formulating a plan for the construction of the Canada Games Centre - the passing on of this financial responsibility was not made obvious to the Canada Games Centre Society.

Rather than divorcing ourselves completely from the responsibility of the \$2 million encumbrance, the Canada Games Centre Society is more than willing to work with the principals at HRM towards possible solutions over time. The Board of Directors has made edits to the Interim Agreement and included for your approval so we can execute and move forward.

Should the Canada Games Centre continue to be financially successful, which is our expectation, then as a Board we would attempt to assist HRM in relinquishing the balance of debt that HRM has taken on for the Capital Project of the Centre. This proposed agreement between HRM and the Board of the Canada Games Centre assumes that HRM will honor their obligation to provide stable and predictable funding for the Canada Games Centre Society.

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Denise Schofield  
January 4, 2013  
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In summary, the Canada Games Centre Society had absolutely no knowledge of a \$2 million debt that had been incurred in the construction of the Canada Games Centre. Thus we bear no intrinsic responsibility for this reality. In our desire to remain champions of the Canada Games Centre and its role in our community, the Board of the Canada Games Centre Society will work diligently to deploy portions of our revenues from our revenue generation endeavors to assist in repaying the outstanding balance.

Yours sincerely,

Original signed

William D. Stanish, MD, FRCS(C), FACS, AOA  
Chairman, Board of Directors  
Canada Games Centre

WDS/pn

**Attachment 3**  
**Excerpt from Written Response to HRM -**  
**CGC Society's Recommended Edits to Proposed Interim Agreement**

**8.04 Fundraising Report**

The CGC Society has been advised by HRM that as part of the Building Canada Fund Agreement dated September 4, 2008 between HRM and the Federal Government, a requirement for community fundraising in the amount of \$2 million was included in the agreement. HRM has requested that the CGC Society assist in meeting HRM's obligation for community fundraising. The CGC has agreed to assist HRM by developing a strategic plan outlining the means to achieve this fundraising requirement. The CGC Society will use its best efforts to develop this strategic plan prior to the expiry of this Interim Agreement, for inclusion in the future formal agreement between the parties. As noted previously in section 6.04 (d) this is not limited to fundraising. HRM will provide assistance to CGC Society in the review and implementation of the strategic plan, the extent of which will be determined upon review of the plan. Details of assistance from HRM will be captured in the formal agreement between the parties.

**9.0 Insurance**

HRM shall provide property and general liability insurance coverage for the term of this Interim Agreement *that includes the CGC Society as an additional insured*. The property insurance provided by HRM will only cover contents used by the CGC Society in the usual operation of a recreational facility such as the CGC. The CGC Society will be responsible to obtain and maintain, to HRM's satisfaction, such insurances as HRM may reasonably require, including, but not limited to, Director's Insurance for the Board of Directors and Officers.