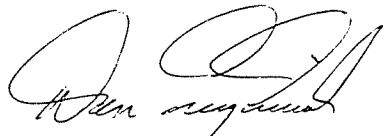


Halifax Regional Council
June 18, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Dan English, Deputy Chief Administrative Officer

DATE: June 13, 2002

SUBJECT: Metro Centre Clock/Scoreboard - Temporary Borrowing Resolution

ORIGIN

The Halifax Metro Centre is requesting that HRM provide \$2 million in financing due to the lower interest rates the Municipality is able to obtain on a loan. The Metro Centre will make payments to HRM, which will cover the full amount of the Municipality's loan (i.e., principal and interest) over a 10 year period.

RECOMMENDATION

It is recommended that :

1. Halifax Regional Council approve the addition of a capital project in the amount of \$2,000,000 for the clock/scoreboard for centre ice of the Halifax Metro Centre.
2. Halifax Regional Council approve temporary borrowing resolution TBR02/03-01 for \$2 million, which will be used to finance this project, without cost to HRM, as these funds will be recovered from the Halifax Metro Centre.

BACKGROUND

The current clock is 25 years of age and has exceeded its normal life expectancy. Over the past year the clock has malfunctioned during both CIS Basketball and Moosehead hockey games causing both game delays, patron annoyance, promoter dissatisfaction and additional facility costs. The new clock / scoreboard is needed in preparation for the 2003 IIHF World Junior Hockey Championship and the 2004 Women's World Hockey Championship.

The environment for live sporting events is changing with increased expectations for entertainment value and excitement. In order that HMC continues to provide a high level of customer satisfaction that translates into patron and sponsor support, it must continue to be seen as the leader in Atlantic Canada in the field of live sports and entertainment.

The selected design is state of the art technology providing for the very best in visual resolution and fan interaction. This new design incorporates computer technology versus the aged electronic technology, and the latest in pixel technology enhancing the picture screen resolution.

A presentation was made to the Board of Directors of Trade Centre Limited and the project was approved in the minutes of the board meeting of May 21, 2002.

DISCUSSION

By approving this request for financing, there will be benefits to HRM. As there are two major hockey events in 2003 and 2004, as noted above, this project will ensure that Halifax is viewed as a modern world class facility and will increase the value of the facility without any net cost to HRM.

BUDGET IMPLICATIONS

The recommended course of action does not have any impact upon HRM's Operating or Capital Budgets. The loan repayment (principle and interest) will be covered entirely by the Metro Centre's payments to HRM.

FINANCIAL MANAGEMENT POLICIES/ BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating and Reserve Budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. It should be noted, that even though there is no net impact on the capital and operating budgets of HRM, this temporary borrowing will still have an impact on HRM's long term debt. If the Metro Centre was ever to be sold, steps should be taken to ensure that any debt associated with the Metro Centre, including this borrowing, would be identified and included as part of any sale agreement.

ALTERNATIVES

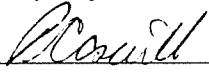
Council could refuse the request to approve a temporary borrowing resolution forcing the Metro Centre to go elsewhere for financing. This alternative is not recommended as it could increase the cost of the project.


ATTACHMENTS

Temporary Borrowing Resolution, TBR02/03-1 \$2,000,000

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: Nancy Harper, Team Leader, Capital Funds, 490-6527

Report Approved by: 
Pamela Gaswill, CA, Manager of Accounting 490-6324


Peter Ross, Acting Director of Finance, 490-6499

HALIFAX REGIONAL MUNICIPALITY
TEMPORARY BORROWING RESOLUTION

\$2,000,000

File No. 02/03-01
Halifax Metro Centre
(Ice Clock/Scoreboard)

WHEREAS Section 66 of the Municipal Government Act provides that the Halifax Regional Municipality, subject to the approval of the Minister of Service Nova Scotia and Municipal Relations, may borrow to expend funds for a capital purpose authorized by statute;

AND WHEREAS clause 65 (y) of the Municipal Government Act authorizes the Halifax Regional Municipality to expend funds for the purpose of furnishing and equipping any municipal facility;

BE IT THEREFORE RESOLVED

THAT under the authority of Section 66 of the Municipal Government Act, the Municipality borrow a sum or sums not exceeding Two Million Dollars (\$2,000,000) in total for the purpose set out above, subject to the approval of the Minister of Service Nova Scotia and Municipal Relations;

THAT the sum be borrowed by the issue and sale of debentures of the Municipality to such an amount as the Council deems necessary;

THAT the issue of debentures be postponed pursuant to Section 92 of the Municipal Government Act and that the Municipality borrow from time to time a sum or sums not exceeding Two Million Dollars (\$2,000,000) in total from any chartered bank or trust company doing business in Nova Scotia;

THAT the sum be borrowed for a period not exceeding Twelve (12) Months from the date of the approval of the Minister of Service Nova Scotia and Municipal Relations of this resolution;

THAT the interest payable on the borrowing be paid at a rate to be agreed upon; and

THAT the amount borrowed be repaid from the proceeds of the debentures when sold.

THIS IS TO CERTIFY that the foregoing is a true copy of a resolution duly passed at a meeting of the Council of the Municipality held on the
day of _____ 2002.

GIVEN under the hands of the Mayor and the Clerk and under the seal of the Municipality this _____ day of _____ 2002 .

Mayor

Clerk