
Executive Committee Meeting

December 11, 2006

9:00 a.m.

Halifax 2014 Commonwealth Games Bid

Office

Suite 1150, 99 Wyse Road

Approval of Agenda

1. **Business arising from previous meetings**
2. **Games budget – tabling the capital budget**
3. **Bid progress update**
4. **Finance and administration**
5. **Other business**
6. **Adjournment**

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1a – Approval of Minutes

(Tab 1)

Motion: To approve the minutes of the November 1st Executive Committee meeting.

Moved by:

Seconded by:



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1b – Motion from September 6th Meeting

- Motion:**
1. That the \$259,450 plus HST cost to undertake the aforementioned studies be immediately undertaken to ensure that the necessary information is ready by November 1st, 2007. Due to severe time constraints, the Executive Management Team may sole source these various studies.
 2. That the Executive Management Team continue to negotiate with Elia Corporation as outlined previously with the intent of bringing a memorandum of understanding to the Executive Committee and Board for its November 2006 meeting.

Moved by:

Seconded by:



1c – MOU & International Bid Procedures

Motion: Halifax 2014's international bid budget is not responsible for Commonwealth Games Canada's bid expenses (proposed in the International Bid Procedures document, November 17, 2006 draft) of \$1,153,586.

Moved by:

Seconded by:



2 – Games Budget Decision Feedback & Next Steps





HERE

is where it all begins



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Gathering for Greatness

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- **Vision:** A Halifax 2014 CW Games where the Commonwealth Family gathers for greatness to celebrate sport & culture in the Atlantic gateway to Canada
- **Mission:** Halifax 2014 exists to prepare a winning proposal for the right to host the 2014 CWG's

Building a Games Budget-Governance

- CGF - Games rights holder
- CGC – Canadian rights holder
- Funding partners – the “bidders”
- Community – stakeholders; taxpayers
- Society – Halifax 2014



Roles

- **CGF** – set the Bid and Games standards
- **CGC** – enhance the brand; ensure a Canadian sport legacy
- **Funding Partners** – achieve community goals through the Games bid; do own individual analysis and assessment of opportunities, risks, impacts
- **Community** – ask questions; want more / better
- **Halifax 2014** – win the bid; articulate the costs of the Games (due diligence)



Process to Date

- Society formed Mar '06
- Appointment of Society Architect Jun '06
- Received Host City Contract Jul '06
- Sport and Venue Selection & Scope definition Jun-Oct '06
- Games budget consultants engaged Jul-Nov '06



Process (cont'd)

- Games Planning (Operating and Capital)
Aug '06-Jan '07
- Hfx 2014 due diligence reviews Nov-Dec '06
- Venue business plans Nov '06-Jan '07
- MPA working group meeting starting Dec '06





Process (cont'd)

- Draft Capital budget tabled Dec 11 '06
- Preliminary information to Economic Study and Federal review contractors Dec 12 '06
- Capital budget feedback incorporated into Operating budget Jan '06
- Draft Operating budget review with partners Jan 9-11

Process (cont'd)

- Final Hfx 2014 due diligence Jan '07
- Executive Committee & Board approval of fully vetted budgets Jan '07*
- Funding partner review of Budget & Business Plan
- MPA approval April 15, 2007 *

*dates dependant on MPA time line



Since the Domestic Bid



What's changed?



- **Time**
- **Resources**
- **Expertise**
- **Process**
- **Data & Due Diligence**

December 11, 2006

- Summary - where have we been
- Revised Time-line approval**
- Budget Principles review
- Games Budget approach – direction**
- Tabling the Games Capital Budget
- Review of Capital Budget Options
- Feedback and direction on capital budget**

** decision or feedback requested





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HERE

we'll build a world-class athletic park



And now the Halifax 2014 Draft Capital Budget presentation

So - What Do the Mission / Vision & Guiding principles Mean?

- The Bid is the easy part
- Determining what the guiding principles mean for the Society (OC) & each of the partners is the challenge
- Budget number will not be the evidence of fiscal responsibility – must be able to measure and show evidence



Indicators of Affordability

- Indicators are required as the best current measure of “affordability” and in the future when scope creeps...
 - Must be selected individually
 - Must be measurable (must be able to model)
 - Best approximation of “net benefit” – build in the benefits – if the costs change, the benefits change – it’s the net that matters
 - Makes “affordability” assurances understandable



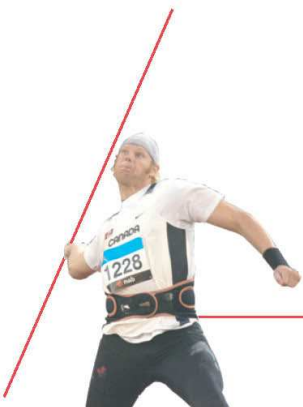
For instance..examples only

- Total net debt – no more than...
- Percent of capital funded by debt - set target
- Percent of total expenditures spent on “??”
- Credit rating-hold or improve
- Total planned investment in “ ?” - will not change
- Staff investigating



Games Budget Principles

- Games must include those things the community requires as determined by the partners
- Maximize new dollars to the Region
- Ensure final approved legacy can be delivered



Games Principles Cont'd



- Local Community determines final vision for Games and related cost/benefit impact requirements
- The principles create a foundation but we must have a broader approach that is built on those principles.....

Games Budget planning approach – background facts

- CGF requires budget in 2007 dollars
- VANOC security approach creates a precedent
- Cash vs. VIK
- Why assume otherwise





Discussion

and

Feedback



HERE

we're unstoppable



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3a – Economic Analysis – For Decision

(Tab 2)

Motion: That Halifax 2014 will use the economic impact analysis conducted independently by its partners for inclusion in the business plan and candidature file.

Moved by:

Seconded by:



3b – Project Audit Versus Year-End – For Decision

(Tab 3)

Motion: That the Executive Committee direct staff to make the necessary by-law changes in draft for consideration by the Board of Directors to permit the Society to be audited on a one-time project basis.

Moved by:

Seconded by:



Communications

(Tab 4)

- Adrienne Power has begun HRM school speaking program
- December 15th luncheon event for domestic bid top-tier sponsors and Labatt (Alexander Keith's)
- January 18th ALC "Support for Sport" ticket sales announcement
- Finalizing partnership packages and Friends of the Games
- Meetings with C100, Q104 & KOOL representatives
- Secured non-profit status for Friends of the Games
- E-newsletter to be distributed on December 15th
- Taping high-profile Canadian athletes for endorsement video

Communications

(Tab 4)

Communications Recommendations:

- Release of bid venues & sports pre-bid lodgment (Jan – May 2007)
- Correcting bid misinformation & responding to calls for bid budget expense transparency



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3d – International Relations

(Tab 5)

November & December Travel:

- Scott Logan, Tom Jones & Tony Holding attending CANOC meeting in Nassau and presented CGA Partner Program
- Fred MacGillivray, Trevino Betty & Kate Randall attended ANOCA meeting in Africa & presented
- Fred MacGillivray, Patrick Jarvis & Kate Randall attended Asian Games in Doha
- CGA visits to African region

3d – International Relations

(Tab 5)

Upcoming Travel:

- CGA visits to Europe in January
- Attendance at ANOCA Presidents' Meeting in Congo
- CGA visits to Africa
- CGA visits to Caribbean
- CGA visits to Oceania
- Attendance at Oceania National Olympic Committees Meeting in March

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3d – International Relations

(Tab 5)

Inbound Trips:

- Invitations to be sent this month to all CGA presidents & CGF Executive Board members
- CGF Evaluation Committee to visit in June



4a – Bristol: Update on Payment of Invoices



4b – WHW: Update on Payment of Invoices



4c – Expression of Interest for Audit Services

(Tab 6)



4d – Consultants' Contracts



4e – November Financial Reports

(Tab 7)

Please see attached report



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4f – Audit Committee Terms of Reference & Chair Selection

(Tab 8)



4g – Briefing Provincial Auditor General's Report

(Tab 9)



5 – Other Business



6 - Adjournment

