

HALIFAX

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Item No. 14.1.7
Halifax Regional Council
February 23, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by _____
John Traves, Q.C. Acting Chief Administrative Officer

Original Signed by _____
Mike Labrecque, Deputy Chief Administrative Officer

DATE: February 11, 2016

SUBJECT: Funding Request – Lake District Recreation Association (LDRA)

ORIGIN

October 27, 2015 Regional Council motion:

MOVED by Councillor Craig, seconded by Councillor Johns that Halifax Regional Council:

Direct staff to prepare a report to respond to a request from the Lake District Recreation Association (Attachment 1) for HRM to negotiate a service agreement to provide annual funding of \$50,000, indexed to the cost of living. **Motion Put and Passed Unanimously**

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter Section 79(1)(av)(v): Halifax Regional Council may expend money required by the Municipality for... (av) a grant or contribution to ... (v) any charitable, nursing, medical, athletic, educational, environmental, cultural, community, fraternal, recreational, religious, sporting or social organization within the Province.

Halifax Regional Municipality Charter Section 75(1): The Municipality may agree with any person for the provision of a service or a capital facility that the Municipality is authorized to provide.

RECOMMENDATION

It is recommended that Halifax Regional Council:

- 1) Approve entering into a one-year agreement with the option to extend for two additional years with the Lake District Recreation Association with annual funding of \$50,000, subject to consideration through HRM's annual budget approval process; and
- 2) Direct the Acting Chief Administrative Officer, or his delegate, to negotiate and execute a contribution and service agreement on behalf of the Municipality with the Lake District Recreation Association that, in the opinion of the Acting Chief Administrative Officer or his delegate, achieves the outcomes of the Municipality identified in this report.

BACKGROUND

The Sackville and District Community Arena (SADCA) was constructed in 1971 and is owned and operated by the Lake District Recreation Association (LDRA). The LDRA is a registered not for profit society incorporated in 1971 and is providing recreational activity to the Sackville and area community through their arena. The arena is utilized from September through April for ice activities, with ball hockey and lacrosse being offered during May through August. In addition, larger community events take place at the arena including school reunions, Octoberfest celebrations, etc.

The SADCA has seating capacity for 1200 spectators and is home to numerous hockey and ringette teams, and other programs supporting the Sackville and area community. The arena is home to:

- High School hockey teams (Sackville High, Millwood High and Lockview High);
- Junior B Sackville Blazers;
- Junior High hockey league;
- Sackville Minor Hockey (Boys, Co-ed and Female teams);
- Ladies ringette;
- Spring figure skating;
- Free public skates (Sunday 2-3 p.m., Monday 3-4 p.m., Thursday 10-11 a.m.); and
- Gentleman's Hockey

The Sackville and District Community Arena is one of twenty four existing ice surfaces in the municipality and is one of four privately owned arenas. The other privately owned and/or operated arenas include:

1. DND Shearwater Arena;
2. Saint Mary's Alumni Arena; and
3. Bedford Dome Arena.

State of Facility

The LDRA has done significant capital work on the facility over the years to ensure the facility is able to continue to operate cost effectively. In 2004, major structure reinforcing was completed to prevent collapse from snow loads as was a concern with arenas of that construction and age. The cost, in the range of \$980,000, was paid through a combination of Provincial and Municipal grants (\$350,000), fundraising, and a bank loan that has been repaid. In 2005, work was done to make the facility accessible with the addition of new sliding doors and a lift on the building exterior. The lift has since become unusable because of unreliability and freezing in the winter. This accessibility work was funded through a Provincial grant. In 2006, new rubber floor mats were installed in the facility at a cost of \$10,000. In 2007, new arena lighting was installed at a cost of \$16,000. From 2010 to 2013, a heat recovery system was installed to retain the heat from the ice plant and use it to heat the dressing rooms. The project led to the dressing rooms being renovated. During that time a new metal roof was also installed. The total cost of those works was approximately \$500,000 and was paid through fundraising and a bank loan, of which there is approximately \$230,000 remaining.

The LDRA has requested support from HRM in order to ensure that the facility remains in a state of good repair and available for community use (Attachment 1). On October 27, 2015, Regional Council requested a staff report on the potential for a service level agreement with the group to provide annual funding.

DISCUSSION

The Sackville and District Community Arena is a model of successful operation on behalf of the citizens in the community. The LDRA should be recognized for their commitment and capacity to own, manage and maintain this facility for 45 years. Typically, contribution and service agreements are meant to formalize relationships with facility owners in order to achieve public access. In this case, the facility has always

achieved this outcome, and was constructed specifically for that purpose.

However, the benefits provided to the community by the facility, and therefore HRM, overall may warrant consideration of support to ensure continued access. A summary of HRM's authority, restrictions and options are outlined below.

Community Grants Program

Currently, HRM does not have a funding program which could accommodate the level and type of funding requested by LDRA. HRM's current Community Grants Program provides for program grants in the amount of \$5,000 and capital grants up to a maximum of \$25,000. The LDRA request could be considered under the current guideline; however, the maximum capital contribution would not meet the funding request. Also, under HRM's current Community Grants program, operating costs are not eligible for funding.

The LDRA has received funding through the Community Grants Program in past years and was successful in achieving a \$25,000 grant in 2010 for replacing dehumidifiers and \$25,000 again in 2012 to assist with the roof replacement. They also received \$100,000 in 2008 for a new ice cleaning machine through a one-time capital assistance program created for pools and arenas, for risk mitigation. This program is no longer in existence.

Recently, Regional Council has received requests for funding amounts that exceed or fall outside the current Community Grants and other program guidelines. As part of the work on the Auditor General's report on Grants and Donations, staff is reviewing the overall granting policy. Regional Council may consider requests on a case by case basis as the *HRM Charter* permits Regional Council to provide a grant or contribution to a variety of charitable organizations including community and recreational organizations. Therefore, Regional Council could consider provision of a separate grant to LDRA. However, none of HRM's grant programs include an index to inflation provision for the grants. Inclusion of indexing to one individual grant would create an inconsistency and set a precedent. Therefore, consideration of that aspect should be done comprehensively for all grant programs through the granting framework.

HRM Capital Budget

The LDRA request is to receive annual funding for capital repair through the HRM capital budget approval indexed to inflation. As the facility is owned by LDRA, HRM cannot allocate capital funding to non-owned assets. Further, HRM does not index its capital budget to inflation. Therefore, HRM cannot include funding for the SADCA in its annual capital budget.

Contribution and Service Agreement

The HRM Parks and Recreation mandate includes the provision of recreational programs and services. Some programs and services are provided through a direct delivery method, while others are provided through alternative service delivery by partner agencies and other community development initiatives. The SADCA supports the Halifax Regional Council priority of Healthy Communities by offering opportunities for children, youth and adults to participate in ice sports during the winter months, and ball hockey, lacrosse and more in the spring and summer months. LDRA provides this opportunity that would otherwise be unavailable or would be required to be provided by municipal services in the community. A further example of the similarity to the municipal mandate is the fact that the Sackville and District Community Arena is the only rink in HRM to offer free open skates during prime time hours.

Other agreements which have been used in the operation of arenas in HRM include Management Agreements or Facility Lease Agreements. These agreements allow for buildings owned by the Municipality to be operated by volunteer boards or private sector operators. Both types of agreements are not appropriate in this situation as the SADCA is not owned by the Municipality.

Therefore, staff is recommending that HRM negotiate a contribution and service agreement renewable for up to three years that would allow HRM to formalize public access to this facility. At the conclusion of the three year agreement, staff would reevaluate the service delivery requirement in the Sackville area to make a determination if a renewed agreement was required or whether changes are necessary as a result of additional work related to the grant framework. While the facility is providing recreational activity to the Sackville and area community, without a formal agreement in place, HRM is not able to ensure that continues to be a certainty. The Municipality has formulated its Long Term Arena Strategy (LTAS), with this facility and its services incorporated as a component of the plan, therefore, any risk of loss of community access at the facility would be problematic. This facility benefits the Municipality and the citizens of the entire region and provides recreational services, which the Municipality would not be able to provide in this area without replacement of the ice surface. Through a contribution and service agreement, HRM is able to obtain provision of municipal requirements and benefits in exchange for provision of a grant.

Additional Municipal Benefit

In addition to assisting in ensuring that the facility remains in a good operation state for the community, HRM could obtain additional public benefit through a contribution and service agreement. The facility is in close proximity to the new Kinsmen splash pad as well as trails along First Lake. While there is some parking available for those amenities, there is often overflow onto local streets. Staff would also seek to incorporate into the contribution and service agreement the dedication of parking spaces at the facility to accommodate overflow parking for citizens wishing to utilize the new splash pad and trails. Enhancing access to these services would support Parks & Recreation's service delivery mandate.

Summary

There is benefit to HRM entering into a contribution and service agreement with LDRA as it would aid in ensuring the continued operational state of the SADCA for the community, as well as enable HRM to obtain improvements to the traffic flow and safety of the area by addressing overflow parking. Therefore, it is recommended that Regional Council approve entering into a one year agreement with the option to extend for two additional years with the LDRA with annual funding of \$50,000, subject to HRM's annual budget approval process. The three year term for the agreement would provide LDRA a level of sustainability, subject to HRM annual budget approval, which would enable opportunity to plan major capital work while also providing flexibility for potential changes if required through the future granting framework.

FINANCIAL IMPLICATIONS

Funding for a grant to LDRA is not currently included in the Parks & Recreation 2016-2017 proposed operating budget. Should Regional Council approve entering into a one year service agreement to provide funding, it is recommended that the first year grant of \$50,000 be funded from the Parks & Recreation current 2015/16 operating surplus. The additional 2 future years (\$50,000 per year) funding will be considered through HRM's annual operating budget approval process.

COMMUNITY ENGAGEMENT

Community members make up the Lake District Recreation Association Board.

ENVIRONMENTAL IMPLICATIONS

No environmental implications.

ALTERNATIVES

Alternative 1: Regional Council could approve the request of the LDRA to enter into a contribution and

service agreement and provide annual funding of \$50,000 indexed to inflation. As indicated, no other grants provided by HRM are indexed to inflation so that would create an inconsistency with other programs.

Alternative 2: Regional Council could choose not to approve the request of the LDRA to enter into a contribution and service agreement.

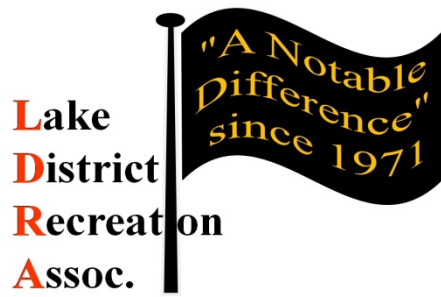
Alternative 3: Regional Council could defer a decision on the LDRA request until completion of the overall Administrative Order - Grant Policy.

ATTACHMENTS

Attachment 1: Letter from Lake District Recreation Association

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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ATTACHMENT 1

Councillor Steve Craig
1841 Argyle Street,
PO Box 1749,
Halifax, NS B3J 3A5

Dear Mr. Craig,

Lake District Recreation Association respectfully requests HRM to consider and approve a service agreement between LDRA and HRM for HRM to provide an annual fund of fifty thousand dollars (\$50,000), indexed to cost of living. The purpose of the funds would be ongoing capital repair.

LDRA operates a community arena servicing Sackville, Lucasville, Beaverbank, Fall River, Waverley and areas beyond since 1971. Without the citizens of Sackville building and maintaining this facility, HRM or the former County of Halifax would have built a similar facility, operated and maintained it.

We are of the opinion that HRM currently enjoys the benefits of this facility by not having to own and maintain on of its own. HRM would have to provide a similar facility to manage all the services currently provided by the LDRA facility.

The community arena is used extensively year round. Summer usage includes lacrosse for 12 weeks, attracting 500+ attendees, Royal Canadian Sea Cadets Annual Ceremonial Review, Royal Canadian Army Cadet Corps Annual Ceremonial Review, CCS Relay for Life, boxing events, concerts, school reunions and community patriot day's events attracting thousands of people. Year round the arena is used for family events, weddings, anniversary and birthday parties and patron and public meetings.

The arena is host to Sackville Minor Hockey Association, which attracts 10,000+ fans per week and the local Junior B Hockey Team which attracts 300+ fans per game. We also host 3 area high school hockey teams; Lockview High, Millwood High and Sackville High, which attract 1000+ fans per week and 4 area junior high hockey teams with attendance near 400+ fans per week. Ringette and various hockey groups are additional uses.

The support of HRM will allow the LDRA board to continue to maintain the arena at a high level, ensuring that the facility lasts another 45 years. LDRA has done an exceptional job maintaining and operating the arena and all who visit are impressed with the smart appearance and updates. With the support of HRM, Sackville Community Arena will continue to be used extensively by the community, negating the need for HRM to build and operate a like facility.

We look toward a positive response to our request.

Kind Regards,

Robert (Bob) Rines, President
Lake District Recreation Association