

# HALIFAX

P.O. Box 1749  
Halifax, Nova Scotia  
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**Item No. 15.1.2**  
**Halifax Regional Council**  
**November 12, 2019**

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

**SUBMITTED BY:** Original Signed by   
\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** October 24, 2019

**SUBJECT:** Discovery Centre Contribution Agreement Renewal

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## **ORIGIN**

This report originates with a written request from the Discovery Centre to enter a new Contribution Agreement with the Halifax Regional Municipality as the previous Contribution Agreement expired on March 31, 2019.

## **LEGISLATIVE AUTHORITY**

### *Halifax Regional Municipality Charter*

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.

(2) An agreement made pursuant to subsection (1) may allow for the lease, operation or maintenance of the facility or provision of the service by a person.

79A (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if

(a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;

## **RECOMMENDATION**

It is recommended that Halifax Regional Council authorize the Chief Administrative Officer to execute a five-year Contribution Agreement with the Discovery Centre substantially in accordance with the draft agreement attached to this report, with annual funding of \$145,000.

## **BACKGROUND**

Established in 1985, the Discovery Centre is a registered not-for-profit organization. The organization's mission is to stimulate interest, enjoyment and understanding of science and technology through innovative and hands on experiences. The Centre has travelling and permanent exhibitions, science demonstrations/programming, and a digital planetarium.

The Discovery Centre has a longstanding history of funding support from the Halifax Regional Municipality (HRM), including in March 2014, Council approved \$2 million contribution to the new Discovery Centre for capital costs relation to the purpose-built facility. The new Discovery Centre, an \$18.5 million facility, located on Lower Water Street opened in December 2016. Since the grand opening in February of 2017, more than 300,000 visitors have been welcomed to the facility. This is more than three times the annual visitation at the previous location.

On January 26, 2016 Regional Council approved a three-year Contribution Agreement with an expiration date of 2018/19. Through the terms of the Contribution Agreement, HRM provided \$145,000 annually as an operating contribution to the Discovery Centre.

The current Contribution Agreement expired on March 31, 2019 and the Discovery Centre received the final payment of \$145,000 for the approved term in the 2018/19 fiscal year. To formalize the continued financial support, a new executed agreement is required.

The contribution agreement outlined the terms and conditions, as well as the deliverables. The Deliverables included are as follows:

- Benchmarking to gauge the effectiveness of marketing efforts
- Leveraging funding with other partners
- Expanding the outreach of its program
- Provision of reporting to HRM
- Business Plan, in consultation with HRM staff, aligned to municipal objectives

## **DISCUSSION**

A letter from the Discovery Centre, dated December 18, 2018, requested a renewal of the annual contribution agreement, as well as a request for an increase in the annual core funding amount of \$145,000 to \$250,000. The Discovery Centre's request for an increase was based on the rationale that the Discovery Centre had made a substantial reinvestment in the downtown core through the redevelopment of the centre which, in turn, contributed to HRM's overall vision of making HRM a vibrant, attractive regional centre and a cultural capital. The partnership funding from HRM supports the Discovery Centre in fostering a welcoming community and engaging the Arts and Culture community. The proposed increase in funding would match annual provincial funding. The request for increase was presented during HRM's annual Budget and Business Planning process for 2019/20 in the Parks & Recreation budget presentation to Regional Council. Regional Council did not approve the increase.

Staff recommends entering into a five-year agreement for the fiscal years beginning 2019/2020 through to 2023/2024, with continued level of annual contributions of \$145,000, subject to review and approval of funds by Regional Council through HRM's annual budget approval process.

Key deliverables and measures outlined in Schedule A of the original Contribution Agreement were developed in consultation with HRM staff. They are aligned with the economic development objectives of HRM's Regional Plan and relate specifically to the areas of talent, brand and regional centre.

Reflected in Discovery Centre's annual report of activities between April 1, 2017 – March 31, 2018 are the following highlights:

- Free access to newcomers over 15,000 visitors
- 75,000 school children with free or deeply discounted access
- Over 157,925 admissions
- 716 *Science on the Road* school visits
- 24,763 *Science on the Road* participants across Nova Scotia

The above indicators, coupled with the Discovery Centre's 2018 audited financial statements, express strong community participation and a satisfactory financial position.

The proposed agreement updates the deliverables to align to HRM's current economic growth plan in the areas of access to arts, culture, recreation and natural assets, improving the conditions for innovation and entrepreneurialism, and showcasing Halifax to encourage people to visit, live and work here. It also continues to include financial responsibility measures. New to this agreement is a group rating discounted 25% in addition to the posted 50% group discount offered. This additional 25% is specifically and exclusively offered to Parks & Recreation, Recreation Programming Summer Day camps.

The Discovery Centre has continued to satisfy the contribution agreement deliverables and has confirmed that they wish to enter into a new agreement with HRM.

### **FINANCIAL IMPLICATIONS**

The current Discovery Centre annual contribution of \$145,000 is included in the approved 2019/20 operating budget for Parks & Recreation in cost centre C705-8001. Future years funding will be subject to compliance with the Contribution Agreement and the annual budget approval process.

### **RISK CONSIDERATIONS**

There are no significant risks associated with the recommendation in this Report. The risks considered rate Low. To reach this conclusion, consideration was given to operational, financial, strategic and reputational risks.

### **COMMUNITY ENGAGEMENT**

Community members make up the Discovery Centre Board of Directors.

### **ENVIRONMENTAL IMPLICATIONS**

No environmental implications.

### **ALTERNATIVES**

Alternative 1: Regional Council could choose to change the term and/or level of funding outlined in the Contribution Agreement

Alternative 2: Regional Council could choose not to approve the Contribution Agreement with the Discovery Centre.

**ATTACHMENTS**

Attachment 1: Contribution Agreement

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Trish Higby, Partnership Coordinator, Program Support Services, Parks & Recreation,  
902.490.1808

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**Attachment 1**  
**Contribution Agreement**  
**April 1 2019 - March 31 2024**  
**Operating Contribution**

**Between:**

**HALIFAX REGIONAL MUNICIPALITY**

**And**

**THE DISCOVERY CENTRE**

## CONTRIBUTION AGREEMENT – OPERATING CONTRIBUTION

BETWEEN:

**HALIFAX REGIONAL MUNICIPALITY,**  
a municipal corporation in the Province of Nova Scotia (“**HRM**”).

-and-

**THE DISCOVERY CENTRE,**  
a society incorporated under the laws of the Province of Nova Scotia (“**TDC**”).

### BACKGROUND

On [INSERT DATE], 2019 HRM Regional Council approved entering into an agreement with TDC to provide TDC with an annual contribution of \$145,000 towards TDC’s operating expenses. HRM and TDC wish to document the terms of that agreement. HRM and TDC therefore covenant and agree as follows.

### SECTION ONE DEFINITIONS

#### Section 1.01 Definitions

- a) “**Agreement**” means this contribution agreement (including all attached schedules) as it may be amended from time to time.
- b) “**Contribution Amount**” means the amount to be paid by HRM to TDC in accordance with section 3.01 of this Agreement.
- c) “**Fiscal Year**” means the annual period ending on March 31<sup>st</sup> each year during the term.

#### Section 1.02 Schedules

The following schedule is attached to form part of this agreement

Schedule A - Discovery Centre Outcomes  
Schedule B - Access & Services

## **SECTION TWO TERM**

### **Section 2.01 Term of Agreement**

- a) The term of this Agreement shall be five (5) years, effective April 1, 2019 and expiring March 31, 2024

## **SECTION THREE CONTRIBUTION OF FUNDS**

### **Section 3.01 Amount of Contribution**

- a) HRM shall make a contribution to TDC in the amount of one-hundred-forty-five-thousand Dollars (\$145,000) (the "**Contribution Amount**") each Fiscal Year during the term of this Agreement to be used by TDC towards its operating expenses incurred during that Fiscal Year.
- b) TDC acknowledges and agrees that the Contribution Amount for each Fiscal Year is subject to Council appropriating the required funds through its annual budget approval process and is not guaranteed through the terms of this Agreement.
- c) TDC acknowledges and agrees that the Contribution Amount represents HRM's complete operating-related financial commitment to TDC and that HRM is in no way responsible for TDC's actual operating expenses nor is HRM responsible for any operating losses that may be incurred by TDC.

### **Section 3.02 Payment Schedule**

- a) Subject to the terms and conditions of this Agreement HRM shall pay the Contribution Amount to TDC in one installment of \$145,000 each Fiscal Year within 30 days of receipt of an invoice from TDC, provided that all required reports have been received and HRM's approval processes have occurred.

### **Section 3.03 Restrictions**

- a) No portion of the Contribution Amount is to be used for the payment of goods or services that are unrelated to the operation of TDC.
- b) The Contribution Amount may be applied to TDC's programming, operating and marketing/promotion expenses.
- c) TDC agrees that the Contribution Amount shall be used to achieve the outcomes described in Schedule "A" of this Agreement.

- d) No portion of the Contribution Amount shall be paid to employees, volunteers, officers or directors of TDC (i.e., salary, wage, stipend, honorarium, gift, or commission).
- e) The Contribution Amount is to be fully used by TDC during the Fiscal Year in which it is received, and no portion of the Contribution Amount may be saved or rolled over by TDC into the following Fiscal Year. Any unused portion of the Contribution Amount shall be returned by TDC to HRM at the end of the Fiscal Year.
- f) HRM may cease providing and/or cancel its provision of the Contribution Amount (or any portion thereof) without notice if in HRM's sole opinion TDC breaches any term or condition of this Agreement, including but not limited to the failure of TDC to achieve the outcomes described in Schedule "A".

## **SECTION FOUR FINANCES, RECORDS AND INFORMATION SERVICES**

### **Section 4.01 Registry of Joint Stocks**

- a) TDC shall maintain active status as a Society pursuant to the Societies Act.

### **Section 4.02 Accounting Records**

- a) TDC shall maintain a complete and proper set of accounting records for not for profit and charitable organizations as established from time to time by Chartered Professional Accountants Canada.

### **Section 4.03 Municipal Audit**

- a) HRM shall have the right, at its own expense, and with reasonable notice, to audit or examine the books of account and records maintained by TDC pursuant to this Agreement and the right to make copies thereof and take extracts therefrom.

### **Section 4.04 Annual Reports**

- a) TDC shall provide audited financial statements to HRM no later than June 30<sup>th</sup> each Fiscal Year of the Agreement.
- b) TDC shall provide a business plan and budget to HRM no later than June 30<sup>th</sup> each Fiscal Year of the Agreement.



- c) TDC shall provide a written report to HRM no later than June 30<sup>th</sup> of each Fiscal Year summarizing the activities funded by the Contribution Amount in the previous Fiscal Year with reference to the outcomes listed in Schedule "A"
- d) TDC understands and agrees that HRM may use any and all of the above-referenced reports in its consideration of any future funding requests from TDC.

## **SECTION FIVE LIABILITY AND INDEMNITY**

### **Section 5.01 Risk**

- a) TDC agrees to supply at its sole cost and expense all staff, equipment and resources necessary to operate TDC.

### **Section 5.02 Limitation of Liability**

- b) HRM is not a guarantor of TDC and in no event will HRM be liable for any direct, indirect, consequential, exemplary or punitive damages, regardless of the form of action, whether in contract, tort or otherwise.

### **Section 5.03 Indemnification**

- a) TDC agrees that it will, from time to time, and at all times hereafter, well and truly save, keep harmless and fully indemnify HRM, its successors and assigns, from and against all actions, claims and demands whatsoever which may be brought against or made upon HRM and against all loss, liability, judgments, claims, costs, demands or expenses which HRM may sustain or suffer, resulting from or arising out of TDC's operations or out of HRM's contribution of the Contribution Amount to TDC.

## **SECTION SIX GENERAL PROVISIONS**

### **Section 6.01 Notices**

- a) 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 Agreement shall be delivered by registered mail to:

#### **Halifax Regional Municipality**

Attention: Denise Schofield, Director Parks and Recreation  
P.O. Box 1749

Halifax, NS B3J 3A5

### **The Discovery Centre**

Attention: Mr. Dov Bercovici, President  
Discovery Centre  
1223 Lower Water St, B3J 3S8  
Halifax, Nova Scotia,

- b) Except in the event of a postal service strike or lockout (in which event the parties hereto agree to temporarily utilize other reasonable methods of communicating any notices), service of any notice or demand so made by registered mail shall be deemed complete on the date of actual delivery as shown by the registry receipt or at the expiration of the seventh business day after the date of mailing, whichever is earlier in time. Either party may from time to time, by notice in writing served upon the other party as aforesaid, designate a different mailing address or different additional persons to which all such notices or demand are thereafter to be addressed.

### **Section 6.02 Confidentiality**

- a) TDC acknowledges that this Agreement is a public document and that any information, document, or record, in any form, provided to HRM by TDC pursuant to this Agreement may be subject to disclosure in accordance with Part XX of the Municipal Government Act ("Freedom of Information and Protection of Privacy").

### **Section 6.03 Governing Law**

- a) This agreement shall be governed by and interpreted in accordance with the laws of Nova Scotia.
- b) The parties hereby attorn to the exclusive jurisdiction of the courts of Nova Scotia to resolve any disputes arising out of this Agreement.

### **Section 6.04 Effective Date**

- a) This agreement will become effective when both parties have signed it. The date of this agreement will be the date this agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature).

### **Section 6.05 TDC Representations and Warranties**

- a) TDC covenants that it has the full power and authority to enter into, and has taken all necessary measures to authorize the execution of this Agreement.

## **Section 6.06 Entire Agreement**

- a) This agreement comprises the entire agreement between the parties in relation to the subject of the agreement. No prior document, negotiation, provision, undertaking or agreement has legal effect, unless incorporated by reference into this agreement. No representation or warranty express, implied or otherwise, is made by HRM to TDC except as expressly set out in this agreement.

*[Remainder of page intentionally blank. Signature page to follow.]*

The parties have executed this agreement through authorized representatives on the date stated opposite each respective party's signature.

**THE DISCOVERY CENTRE**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name:  
Title:

**HALIFAX REGIONAL MUNICIPALITY**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name:  
Title:

**Schedule A - DISCOVERY CENTRE OUTCOMES (April 1-March 31)**

<b>HRM Alignment</b>	<b>Goal</b>	<b>Objectives</b>	<b>Measures</b>
<b>HRM 2016-21 Economic Strategy</b>	Ensure access to arts, culture, recreation and natural assets in Halifax	<p>Creation or expansion of programs and partnerships that support new Canadians and create healthier communities</p> <p>Increase participation of free/ affordable access to the New Discovery Centre</p> <p>Increase participation of free or affordable Discovery Centre outreach programs</p>	<p>List and describe program outreach initiatives/partnerships annually that facilitate barrier free access to the New Discovery Centre for newcomers and other citizens that may have challenges in visiting. Identify and describe program(s) that promote healthy communities.</p> <p>Number of visitations to Discovery Centre to include:</p> <ul style="list-style-type: none"> <li>• Gender</li> <li>• Age range (ie. child, adult, senior)</li> </ul> <p>Number of visitations to free access nights to include:</p> <ul style="list-style-type: none"> <li>• Frequency, length of time (ie. Wednesday 6pm-8pm)</li> <li>• Gender, age range</li> </ul> <p>Outreach program to include:</p> <ul style="list-style-type: none"> <li>• Number of school visits and locations</li> <li>• Number of participants in each program</li> <li>• age range (ie. elementary, junior high, high school)</li> </ul>
	Improve the conditions for innovation and entrepreneurialism	Increase the participation in programs that support science innovation	<p>List and describe Discovery Centre programs /camps (non-outreach) that support science innovation and number of participants, highlighting new programs or expansion</p> <p>Number and title of exhibits, highlighting new exhibits</p>
	Showcase Halifax to encourage people to visit, live and work here	Increase awareness of Discovery Centre and programs	Description of Discovery Centre's traditional marketing, media, social media campaigns for the fiscal year and their impact (i.e. reach, exposure, impressions), highlighting new awareness initiatives
<b>Financial Responsibility</b>	Financial sustainability	Leverage funding and facilitate partnerships	<p>List large partnerships (corresponding funding level and their mandate), highlighting new partnerships</p> <p>Audited financial statements and annual report</p>

**Schedule B – Access & Services**

The Discovery Centre on an annual basis and for the duration of this agreement will work with HRM Parks & Recreation Program Support Services to provide an additional 25% off the group rate for all HRM Recreation Programming Day Camps. These bookings can not be extended to any other HRM affiliated groups/individuals.