

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 14.2
Halifax Regional Council
November 12, 2019
November 26, 2019

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Denise Schofield, Director, Parks & Recreation

Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: October 30, 2019

SUBJECT: Halifax Forum Bingo

INFORMATION REPORT

ORIGIN

August 14, 2018 Halifax Regional Council motion that Halifax Regional Council:

1. Approve the management agreements between:
 - a. HRM and the Dartmouth Sportsplex Community Association, as set out in Attachment 1 of the staff report dated July 5, 2018;
 - b. HRM and the Halifax Forum Community Association, as set out in Attachment 2; and
 - c. HRM and the St. Margaret's Community Centre Association, as set out in Attachment 3,
 - d. HRM and the Centennial Pool Association, as set out in Attachment 4.

and authorize the Chief Administrative Officer or their delegate to execute the agreements and to exercise at their discretion the renewal options set out in the agreements;

2. Subject to the execution of the management agreements as set out in recommendation 1, approve that the total receivables and debts outstanding from the Dartmouth Sportsplex Community Association, the Halifax Forum Community Association, the St. Margaret's Community Centre Association, and the Centennial Pool Association to HRM as of the date of the execution of the management agreements be written out of the books of account, and any accumulated deficits be absorbed by HRM, reducing their outstanding receivables, debts and accumulated deficits to zero;

3. Authorize the opening of bank accounts for the Dartmouth Sportsplex Community Association, St. Margaret's Community Centre Association, and Centennial pool Association for the purpose of operating the respective facilities as authorized per standard Halifax Regional Municipality procedures;
4. Direct staff to continue negotiations with the remaining multi-district facilities (Alderney Landing, Canada Games Centre, and Cole Harbour Place) and return to Audit & Finance Standing Committee no later than the end of September, 2018; and
5. That Halifax Regional Council request a supplementary staff report examining the operations of bingo at the Halifax Forum complex by HRM employees using HRM-owned facilities.

MOTION PUT AND PASSED UNANIMOUSLY.

This report speaks to recommendation number 5 only.

LEGISLATIVE AUTHORITY

- Bingo Regulations made under the *Gaming Control Act*, S.N.S. 1994-95, c. 4
- *Halifax Regional Municipality Charter*
 - Section 61 (3): "The property vested in the Municipality, absolutely, or in trust, is under the exclusive management and control of the Council, unless an Act of the Legislature provides otherwise."
 - 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."
 - (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."

BACKGROUND

On August 14, 2018, Halifax Regional Council approved a new management agreement between the Halifax Forum Community Association (HFCA), which is a non-profit Board of community volunteers, and Halifax Regional Municipality (HRM). HFCA is a community based society, which has played an important role in HRM's delivery of recreational services, including delivering programming and services that ensure a healthy, engaged and inclusive community, and managing the Facility on HRM's behalf. The new management agreement maintains the services of the Board to be responsible for the operation, management, maintenance and repair of the Facility, for and in conjunction with HRM. During the discussion on the Management Agreement, clarification was sought regarding HRM employees running bingo/gaming operations. Specifically, whether this practice was a concern relative to the *HRM Charter*.

The Halifax Forum has a unique governance model as it is the only HRM owned facility, staffed by HRM employees who also report to a board of community volunteers through a management agreement.

As part of managing the Halifax Forum, the HFCA has been operating bingo for approximately 50 years at the Halifax Forum location.

DISCUSSION

The Halifax Forum Community Association is a non-profit society incorporated in Nova Scotia. They possess a bingo lottery license that is in good standing with the Nova Scotia Alcohol, Gaming, Fuel, Tobacco Division (NSAGFT), which provides them the authority to operate Bingo. Bingo Lottery Licenses are granted by the NSAGFT: charities, religious organization and non-profit community organizations are permitted to hold Bingo Lottery Licenses.

Currently bingo operates 7 nights a week from 6 pm to 10 pm in the “Bingo Centre” of the Halifax Forum building, and there is seating capacity for 700 people in the 18,000 square foot venue. In the operation of bingo, the HFCA has a partnership with the Nova Scotia Sport Hall of Fame (NSSHF). Both organizations hold a valid Bingo Lottery License which allows them to operate bingo 7 nights a week. HFCA holds a Bingo Lottery License for Wednesday, Friday, Sunday and for Cosmic Bingo, which occurs every Saturday night from 10 pm to 12 am. Cosmic Bingo involves the utilization of lights and music to create a more contemporary setting versus the other bingo offerings. NSSHF holds a Bingo Lottery License for Monday, Tuesday, Thursday and Saturday. Average nightly attendance to Cosmic Bingo night is 232 with approximately 187 nightly for regular bingo. The licenses are valid for 3 years and expire in April 2020. The partnership between HFCA and NSSHF began in 2003 so that they could run bingo concurrently, instead of competing with each other.

All gaming operations are undertaken by HRM staff; under the management agreement, all personnel involved in the management, administration and operation of the Halifax Forum are employees of HRM. There are, on average, 15 staff working each night of bingo to serve the approximate 200 people in attendance each night. Since the delivery of bingo is done by the HFCA (the license holder) and not HRM, any costs associated with HRM employees are reimbursed by the HFCA to HRM. In these circumstances, the *HRM Charter* does not preclude HRM employees from operating bingo.

The Halifax Forum also allows opportunities for other non-profit groups, such as sport teams and youth groups, to fundraise through the sale of bingo vouchers so they can raise money to help support their groups. There are approximately 90 community groups each year who fundraise through bingo.

Under the management agreement for the Halifax Forum, revenue from bingo is not owned by HRM. This is in compliance with NSAGFT Division regulations. After payment of any awards owing, HFCA deposits its net sales from its Bingo activities into a Bingo Bank Account. The Bingo Bank Account is administered under HRM's existing banking arrangements; however, it is separate from HRM's accounts. The funds inside of the Bingo Bank Account are owned by the Halifax Forum Community Association and not HRM. Since delivery of bingo is done by the HFCA (the license holder) and not HRM directly, any costs associated with HRM employees are reimbursed by the HFCA to HRM.

In accordance with the NSAGFT Division Bingo Regulations, all net profits from bingo must be allocated and utilized by the charitable organization for which the licence is granted. In this case, the charitable organization is the HFCA. Within their application for a Bingo Lottery License, the HFCA had to provide a description of the charitable objects and purposes and the manner in which they intend to fulfil those objects and purposes. The HFCA intentions for profit from bingo are to reduce operational expenditures at the Halifax Forum Complex for community groups, charitable organizations and programming at the Forum. HFCA achieves this requirement by transferring any surplus money from the bingo account annually to the Forum operational accounts.

As per the Bingo Regulations with the Bingo Lottery License through NSAGFT, the HFCA is required to report monthly to NSAGFT Division listing gross revenue, prizes and expenses. They are also required to pay NSAGFT 2.13% of the prize money paid out as a fee for the license.

The Halifax Forum Community Association is operating bingo within the Bingo Regulations prescribed by the provincial government, and they maintain their license in good standing throughout the operations. There are no VLT operations onsite.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

COMMUNITY ENGAGEMENT

None.

ATTACHMENTS

None.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Michael Ryan, Manager Community Partnerships, 902.490.1585
