



P.O. Box 1749  
Halifax, Nova Scotia  
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**Item No. 4**  
**Audit & Finance Standing Committee**  
**June 27, 2022**

**TO:** Chair and Members of Audit & Finance Standing Committee

**SUBMITTED BY:** **- Original Signed -**

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Caroline Blair-Smith, Acting Chief Administrative Officer

**DATE:** June 24, 2022

**SUBJECT:** 2023 North American Indigenous Games (NAIG) Supplementary Funding Request Report

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**ORIGIN**

February 28, 2019 motion of Budget Committee (Item 3):

MOVED by Councillor Mason, seconded by Councillor Nicoll

THAT the Budget Committee request a supplemental staff report regarding the North American Indigenous Games funding and business plan to be presented to Regional Council.

MOTION PUT AND PASSED

February 2, 2022 Correspondence received from the Chief Executive Officer, 2023 North American Indigenous Games requesting supplementary funding and Value-In-Kind support dedicated to delivery of the 2023 North American Indigenous Games.

**LEGISLATIVE AUTHORITY**

*Administrative Order 2014-015 ADM, the Respecting Reserve Funding Strategies Administrative Order Respecting the Reserve Funding Strategies, approved by Halifax Regional Council on October 28, 2014*

**RECOMMENDATIONS ON PAGE 2**

## **RECOMMENDATION**

It is recommended that Audit and Finance Standing Committee recommend that Halifax Regional Council:

1. Approve a contribution, for a total of \$429,500, in cash support from the 2022/2023 Community and Events Reserve, Q621 to the 2020 North American Indigenous Games Local Organizing Committee for additional costs associated with the delivery of the 2023 North American Indigenous Games; as described in the discussion section of the report; and
2. Authorize the Chief Administrative Officer (CAO) to execute a contribution agreement which includes the cash contribution, and up to \$400,000 in Value-In-Kind support, dedicated to the delivery of the 2023 North American Indigenous Games.

## **BACKGROUND**

In 2018, the Mi'kmaq Sport Council of Nova Scotia proposed to host the North American Indigenous Games (NAIG) 2020 Games to both the Province of Nova Scotia and the Municipality when Winnipeg, who had been selected to host the 2020 Games, was denied the Games. A bid was prepared and submitted to the North American Indigenous Games (NAIG) Council by the Mi'kmaq Sport Council, with the support from Nova Scotia's 13 Mi'kmaq communities, the Province of Nova Scotia, Discover Halifax, Dalhousie University, Saint Mary's University, Sport Nova Scotia, the Halifax Stanfield International Airport and several community supporters.

The NAIG Council is the International Governing Body for NAIG and helps actualize the collective potential of the bodies, minds, and spirit of our people and their hopes and dreams. The Council oversees all matters pertaining to the Games, including the inclusion of purposes and philosophies during the event that are consistent with the cultural, spiritual and traditional values of the peoples represented in the games. In all activities, the Council ensures the promotion and encouragement of holistic, individual development that assures mental, physical, emotional and spiritual growth.

In May 2018 Halifax was selected as the successful bid and was awarded the 2020 Games.

For the 2020 Games both the Federal Government and Province of Nova Scotia committed \$3.5 million each to support the Games as part of the bid process. These contributions combined 60% of an estimated \$11.5 million Games budget with the remaining 40% to be offset by corporate sponsorship, registrations, and merchandise sales, etc. Halifax Regional Municipality (HRM) was formally requested to confirm financial and value-in-kind (VIK) contributions to the 2020 NAIG Local Organizing Committee.

During 2018, 2019, and early 2020 plans to deliver the 2020 NAIG were actively underway. In December 2018 the NAIG Host Society hired a Chief Executive Officer (CEO) and three Executive Directors followed in April 2019 (Games Delivery, Finance and Partnerships / Marketing). The Municipality supported the Games with three municipal staff, the Project Manager; the Advisor of Indigenous Community Engagement; and the Intern Coordinator through the Bridging the Gap program. A total of 35 staff were hired to support the delivery of the Games including the three HRM positions.

On July 17, 2019, Regional Council approved a contribution of \$500,000 in cash funding support through the Major Events Hosting program of the Marketing Levy Special Events Reserve (MLSER) grant program and a VIK of \$1 Million. As stated in the 2019 staff report, 2020 NAIG Funding Report, *"the Value In Kind contributions of up to \$1,000,000 are to be the following items: internal staff secondments/staffing, ICT equipment, printing, signage, office supplies, venue fees, policing, background checks, office space, storage space, traffic services and transit services. Due to both the short timeline and lack of clear standards/needs for the NAIG 2020, a detailed breakdown of the Municipality's VIK is still being confirmed"*.

The expenditures assigned to the VIK were agreed upon at the end of February 2020. Once the VIK had been determined the Host Society planned on signing the MLSE contribution agreement. However, before the agreement had been executed the Coronavirus (COVID -19) pandemic forced the postponement of the Games. The event grant funding of \$500,000 for 2020 from the Marketing Levy Special Events Reserve funding has not been released. This approved funding has been included within the NAIG 2023 budget and would be released, in addition to any additional funding as per the new request, pending the signature of the 2023 contribution agreement.

On March 25, 2020, the North American Indigenous Games (NAIG) Council and NAIG 2020 Host Society announced that the 2020 Games were postponed to 2021 to abide by the recommendations and public health restrictions from the Nova Scotia government due to COVID-19. In September 2020, the Games were postponed for a second time due to ongoing uncertainties surrounding the COVID-19 variant, Omicron. At that time, as rescheduling the Games was uncertain with many unknown factors, it was determined that the total amount of VIK of \$1M be allocated to payroll expenses beginning in April 2018 until the wind down of the 2020 planning process in March 2021.

On July 12, 2021, the NAIG Council and NAIG Host Society announced that the 10<sup>th</sup> Games are set to take place July 15 to 23, 2023 in Kijipuktuk (Halifax) and Millbrook First Nation, Nova Scotia.

## **DISCUSSION**

The 2023 Games will consist of 17 contemporary and traditional summer sport events for Indigenous youth aged 13 to 19. The Games are a fundamental component of the Indigenous sport movement and the 2023 NAIG will attract approximately 4,800 athletes from Canada and the United States. Other activities include a cultural program component and ceremonies. The Games will further the Regional Council's priority areas of healthy, livable communities and social development, as well as strengthen the support of the Municipality's values of diversity and inclusion and collaboration. Despite the postponements, the priority of the NAIG Host Society over the past two years has been to work with NAIG Council and partners to program safe spaces and host this iconic event.

### **Additional Government Support NAIG 2023**

In the postponement of the Games, the Host Society has requested additional funding in the amount of \$7.3M to host the Games in Kijipuktuk (Halifax). The Province of Nova Scotia and the Government of Canada have increased their funding to a total of \$7M, in addition to the previous commitments of \$3.5M, to ensure the Games are held, not only in 2023, but also in Kijipuktuk (Halifax). This support is critical to meet *The Truth and Reconciliation Commission of Canada's Call to Action #88* (to all levels of government) "to take action to ensure long-term Indigenous athlete development and growth through continued support of the North American Indigenous Games". The Government of Canada will provide up to an additional \$4.5 million for incremental costs due to the postponement of the Games, in addition to the up to \$3.8 million already committed. The Province of Nova Scotia will provide an additional \$2.5 million for the Games, in addition to the \$3.5 million already committed.

The budget for the 2020 Games was \$11.5M, and the 2023 Game budget is now \$20M due to the increase in funding which makes up approximately 60% of the total. The remaining 40% of the budget not covered by government funding will be offset by corporate sponsorship, registrations, and merchandise sales, etc.

### **Request for Additional Municipal Support 2023 NAIG**

In February 2022 correspondence was received from NAIG's Executive Director (Attachment 1) requesting cash support, from HRM, to cover a financial shortfall of \$300,000 identified in the planning and delivery of NAIG 2023. It stated most of the funding would be spent on municipal services required to host the event. Some of these services had been considered as VIK expenses for the 2020 Games and had been determined in the planning of the 2020 event. The most expensive and necessary costs are associated

with the use of Halifax Transit buses. Other costs identified include extra signage, policing, facility rental fees, parks maintenance, and criminal records checks.

There are several key changes for 2023, post pandemic, being implemented to ensure the health and safety of the athletes and participants. In 2020, the accommodation plan included participants sharing hotel beds, moving forward, athletes will no longer share beds, which has created the need for double the amount of hotel rooms. For 2023, hotels rooms have been secured in Halifax and Dartmouth, with the creation of a second athletes' village around Dartmouth Crossing. The Host Society is also working on plans to provide cultural opportunities around Dartmouth, like those being offered on the Halifax-side, so that participants have similar experiences. The extended cultural village on the Dartmouth side will be located in Dartmouth Crossing where the participants will be staying. This extended cultural village will be free and open to the general public and will include workshops, performances, and educational interactive activities. This change will have a significant economic impact to the Municipality and the hospitality industry within the region.

A Sport Tourism Economic Assessment Model (STEAM 2.0) has been conducted to calculate the impact the 2023 Games will have on the Municipality. The combined total of visitor, capital, and operational spending, as a result of hosting the 2023 North American Indigenous Games, is expected to total \$18,837,724. These expenditures will support a total of \$25,550,065 of economic activity in the province, of which \$24,008,444 is expected to occur in the Municipality. The full report is found in Attachment 2.

NAIG is currently working with multiple partners interested in broadcasting the event and staff understand that details will be available as they are finalized. The Aboriginal Peoples Television Network (ATPN) will be included and there will also be streaming of the Games.

The opening ceremonies are scheduled to be held at the Scotiabank Centre on July 16<sup>th</sup>, 2023 and will be a ticketed event. This event is the only ticketed event, within the Games, per the hosting standard with the NAIG Council.

The following requests are listed as the purchase of municipal services and Value in Kind (VIK):

### **Municipal Services Additional Funding Request**

#### **Transportation**

The transportation of the 5,000 participants from the airport, accommodations, and venues is a large focus of Games delivery. Most venues for NAIG 2023 are within 10 kilometers of accommodations; however, several venues are outside that radius including golf at the Links of Brunello and 3D archery at Millbrook. NAIG 2023 will be working with local transportation suppliers to ensure efficient and timely transport of participants to and from all venues. Airport transportation will be provided by coach buses due to the need to provide space for luggage and sporting equipment. Transportation for participants will be provided by school buses, this RFP is now complete, and staff understand it will be released shortly.

#### **I. Buses for Opening Ceremonies**

In 2020, Halifax Transit was requested to provide supplemental transportation of athletes, where possible, depending on regular operational requirements. NAIG 2023 is requesting the use of Halifax Transit buses for the opening ceremonies. There will likely be a need to supplement Halifax Transit buses with coaches and school buses due to the number of persons needed to be moved, depending on regular operational requirements. The cost of \$30,000 was identified in the original VIK contribution and may be outdated for 2023. With increased expenses due to the inflation and the increased price of fuel, staff are recommending an additional \$5,000 to the cover those costs.

#### **II. Buses for the Spectator Loop**

NAIG 2023 is also requesting use of Halifax Transit buses for the spectator's loop. The spectator loop service is for family, friends, and members of the public who are participating in the Games.

NAIG 2023 has proposed a bus service designed specifically for participants to get around to all the venues within the Municipality (i.e., Lake Banook, Dartmouth Crossing, Canada Games Center, Halifax Commons, the universities and hotels). The service would operate on a loop every 15 or 30 mins from 8am until 8pm and would have designated stops and signage, although, not using traditional bus stop locations so there is no confusion for the public. The value of that service is listed as \$45,000, although, for the same reasons mentioned above, this likely will be higher for 2023. Staff are recommending an additional \$10,000 to cover such increased costs. The ability for Halifax Transit to provide this service will depend on the recovery of staffing levels following the COVID-19 pandemic and may be limited.

#### HRM Facility Rental Fees

These fees include facility rentals of sport fields and recreation venues such as the Zatzman Sportsplex, the Beazley sport field, RBC Centre, Canada Games Centre, etc. In 2019, the venue rental costs were approximately \$42,000. Since that time rental fees have increased and will be increased again on April 1, 2023. Therefore, the venue costs will likely be closer to \$50,000, assuming that all the same venues will be required.

#### Volunteer Criminal Record Checks

The letter requests \$15,000 for Criminal Records Checks. In further discussions with the Executive Director of NAIG 2023, staff noted that the need was far greater. The target number of volunteers for NAIG 2023 is 3,000 and 50 staff. After discussion with the Executive Director of NAIG 2023 it was suggested that funding for the total number of volunteers be considered in addition to the cash request of \$15,000. The total amount for this service, at a group rate of \$30.00 per person, is \$91,500. As most of the participants are under 17 years of age, the majority of checks, to be conducted by Halifax Regional Police (HRP), will be Vulnerable Records Checks which costs \$30.00 per person.

#### Additional Signage

The letter requests \$10,000 in additional signage. This will include road and traffic signage for multiple streets, in Halifax and Dartmouth, for the duration of NAIG and for the athlete parade for opening ceremonies. Staff have identified an additional need for signage at Lake Banook as the bumpers at Lake Banook were installed in 2009 and are faded and unsightly. The estimated cost of the replacement of the 42 bumpers is between \$25,000 - \$30,000 in 2022 dollars, based on the original cost of over \$15,565.00 plus HST in 2009. As this is one of the iconic venues for NAIG 2023, it is recommended that this cost be included as an additional signage request. Creating NAIG 2023 permanent bumpers will serve as a legacy to the Games and Lake Banook for years to come.

#### Additional Park Maintenance Fees (included in the \$300,000)

This will include daily maintenance to sports fields, ball fields and parks.

#### Additional Halifax Regional Police Requirements (included in the \$300,000)

This will include additional officers assigned to the Dartmouth athletes' village and surrounding areas.

#### **Value in Kind request**

##### HRM Staff Support and Volunteer Leave Policy

As previously stated, the VIK for NAIG 2020 included support from three HRM staff positions. For NAIG 2023, the request is to support the Games with two HRM staff positions, one position to act as a liaison between NAIG staff and HRM services, and one staff position specifically responsible for the transportation management portfolio. These positions may be required for a period of up to two years depending on the terms of their secondment.

In a separate correspondence, received by staff on April 20, 2022, a request was made to allow leave for HRM employees that request time off to volunteer during the Games. As stated, this event is heavily dependent upon the recruitment of more than 3,000 volunteers. NAIG is a volunteer opportunity for staff to

share in an experience that will accelerate an understanding of the Mi'kmaq and Indigenous culture. A mandatory volunteer information session, including cultural competence training, is included for volunteers to create a respectful experience for participants and spectators alike.

Based on the 2011 Canada Games volunteer policy, a draft volunteer leave policy for the 2020 Games was developed in consultation with the Province of Nova Scotia. This draft was intended to assist with recruitment efforts, and to provide the necessary guidelines to permit volunteer leave for employees volunteering with the Games. This policy was set to be reviewed by HRM Executive staff at the time the pandemic began. The draft policy will be updated with the 2023 information and will be reviewed and is expected to be approved by staff, in the coming months. Table 1 below outlines the February 22, 2022 requests and staff recommend funding for each service.

<b>Table 1: Municipal Services and VIK additional costs associated with the delivery of 2023 North American Indigenous Games</b>			
<b>Municipal Services / VIK</b>	<b>Requested</b>	<b>Additional Recommended</b>	<b>Total</b>
Buses - Opening Ceremony	\$30,000	\$5,000	\$35,000
Buses - Spectator Loop	\$45,000	\$10,000	\$55,000
HRM Facility Rental Fees	\$42,000	\$8,000	\$50,000
Volunteer Record Checks	\$15,000	\$76,500	\$91,500
Additional Signage	\$10,000	\$30,000	\$40,000
Additional Park Maintenance & Additional Policing	\$158,000	\$0	\$158,000
<b>Subtotal</b>	<b>\$300,000</b>	<b>\$129,500</b>	<b>\$429,500</b>
VIK (includes Staff Support)	\$400,000	\$0	\$400,000
<b>Total</b>	<b>\$700,000</b>	<b>\$129,500</b>	<b>\$829,500</b>

In addition to the above, event grant funding of \$500,000 for 2020 from the Marketing Levy Special Events Reserve funding has not been released. This would bring the total proposed grant funding to \$929,500.

**FINANCIAL IMPLICATIONS**

Reserve budget, the funding is available in Community and Events Reserve (Q621) with increased withdrawal required.

**Budget Summary, Community & Events Reserve, Q621**

Net Projected Reserve Balance, as of April 1,2022.....	\$ 1,356,866
Unbudgeted Withdrawals as pre recommendation#1.....	\$ 429,500
Projected Net Available Balance 2022/23.....	\$ 927,366

**Community and Events Reserve, Q621** is used to provide funding to attract and host exceptional large-scale sporting and tourism events that create significant economic impacts, promote Halifax as a multi-experiential event destination, and attract tourists to HRM for multiple day visits. Reserve is also to provide funding to community non-profit and public institutions in support of major capital initiatives by facilitating the development of significant community infrastructure in order to realize tangible cultural, sectoral, and economic impacts. Funding to the reserve is 40% of the Marketing Levy from Hotel sales, and transfers from the operating budget. Withdrawals are for supporting events that support tourism and economic development, cultural/heritage projects, significant community infrastructure, and public art. The recommended allocation of grants does not have a negative impact on the reserve.

Value In Kind contributions of up to \$400,000 are made up of the following items: internal staff secondments/staffing and leave for HRM employees that request time off to volunteer during NAIG and will be captured in the 22/23 – 23/24 Operating Budget for Parks and Recreation under cost centre C888. There is a potential this VIK will result in a deficit in the 22/23 Parks and Recreation budget.

### **RISK CONSIDERATION**

The risks are deemed to rate moderate to high, based on the possibility of major negative impacts to the Municipality's culture and reputation, if additional funding is not awarded, as well as the feasibility and scope of the Games. The NAIG 2020 MLSER contribution agreement is null and void. The host society for the 2023 Games remains the *2020 North American Indigenous Games Local Organizing Committee* under the Registry of Joint Stock Companies and there is no plan to change the name. To release the 2019 MLSER funds (\$500,000), and any approved funds for the 2023 Games, a new contribution agreement will be required. This will ensure HRM's support is appropriately recognized and conditions for use of funding are met, pending the outcome of Council's decision on this new funding and VIK request. To determine this, consideration was given to reputational, financial, and legal risks.

### **COMMUNITY ENGAGEMENT**

Members of the public sit on the Board of Directors for the NAIG Local Organizing Committee.

### **ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified.

### **ALTERNATIVES**

1. The Audit and Finance Standing Committee may recommend Halifax Regional Council decline the staff recommendation for additional funding in the amount of \$129,500 and fund at the level as requested of \$300,000.
2. The Audit and Finance Standing Committee may recommend Halifax Regional Council amend the level of cash support and VIK for the 2023 North American Indigenous Games.

**ATTACHMENTS**

Attachment 1: North American Indigenous Games 2023 HRM Funding Request  
Attachment 2: 2023 North American Indigenous Games STEAM 2.0 Assessment

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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: Elizabeth Taylor, Manager, Culture & Events, 902.229.7622

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February 2, 2022

Jacques Dubé, CAO  
Halifax Regional Municipality  
P.O. Box 1749  
Halifax, NS B3J 3A5

Dear Jacques:

I hope everyone enjoyed the Holidays. As we head into 2022, we are seeing an increase in returning to the new normal which includes hosting of events within Kijipuktuk (Halifax). As you are aware, NAIG 2020 was postponed due to Covid, but due to the commitment of our funding partners, we have secured the games for July 15- 23, 2023. In the postponement of the games, the Host Society requested \$7.3m in funding to have the ability to host the Games in Kijipuktuk (Halifax). The Province of Nova Scotia and Government of Canada have increased their funding to a total of \$7m on top of previous commitments to ensure the Games happen, not only in 2023, but also in Kijipuktuk (Halifax) and meet Truth and Reconciliation Call to Action #88 (insurance of NAIG). As the games move forward, we still have a shortfall of \$300k and are submitting this request for funding to Halifax Regional Municipal Council.

In terms of the \$300,000, most of the funding will be used to purchase HRM services through some of the following services:

- Buses for Opening Ceremonies (\$30,000)
- Busing the spectator loop (\$45,000)
- HRM Facility Booking
- Criminal Record check for volunteers (\$15,000)
- Additional Signage (\$10,000)
- Additional Park costs maintenance
- Additional Police requirements

On top of the \$300k, we request the ability to have two staff supports, as we had for 2020 Games. The HRM Liaison position (Paul Forrest), who supported our connection with the Municipality to ensure all departments were aware of requirements the Games. This is like the position HRM had for Halifax 2011 Canada Games. The second position for NAIG 2020 was the cultural position (Cheryl Guhue). Knowing the work HRM has in Truth and Reconciliation, we would like this position to be a Transportation Manager to support the massive transportation operation the games will require.

NAIG 2023 has made a change to accommodation due to safety of our participants in the new normal. Plans for 2020 included participants sharing hotel beds. Moving forward, athletes will no longer share beds, which has created the need for hotel rooms to double for the Games. In 2023, hotels rooms have been secured in Halifax and Dartmouth, creating a second athletes' village (downtown Halifax) and around Dartmouth Crossing. The Host Society is also working on plans to provide cultural opportunities around Dartmouth, like Halifax, to ensure participants have similar experiences, and have the municipality lost in the Games. This change will have a significant economic impact on the on the municipality and the hospitality industry within the city.

#### Summary of requests

- \$300,000 funding
- Two Positions dedicated to NAIG 2023
  - Liaison
  - Transportation

Thank you to the Municipality for their continued support and work on the Games and Truth & Reconciliation. The Host Society is proud to be part of the Truth & Reconciliation journey and believe NAIG 2023 can contribute a big part in the journey with all of our partners. Wela'lioq for your support of the North American Indigenous Game 2023 Kjipuktuk (Halifax) to create a new standard for NAIG across the country.

Respectful Submitted



Brendon Smithson, CEO  
CEO

2023 North American Indigenous Games



## 2023 North American Indigenous Games

Halifax, N.S.

The combined total of visitor, capital, and operational spending as a result of hosting the *2023 North American Indigenous Games* is expected to total **\$18,837,724**. These expenditures will support a total of **\$25,550,065** of economic activity in the province, of which **\$24,008,444** is expected to occur in *Halifax, N.S.* The event is expected to support wages and salaries of **\$10,530,759** and **168** jobs for *Nova Scotia*, of which **154** jobs and **\$9,683,790** in wages and salaries will be supported in *Halifax, N.S.* The total net economic activity (GDP) supported by the event is expected to reach **\$19,892,968** for Canada as a whole, **\$14,852,316** for *Nova Scotia* and **\$13,227,951** for *Halifax*.

Considerable tax revenues are also expected to be supported by event name, totaling **\$6,828,951**. The event will support federal taxes revenues of **\$3,141,623**, with an additional **\$2,242,644** of taxes supported in *Nova Scotia*. Additionally, the *2023 North American Indigenous Games* will support municipal taxes totalling **\$292,641** across *Nova Scotia* including **\$292,955** in *Halifax*.

DISCLAIMER: The results of this pre-event economic impact analysis are intended to act as a guide and are not considered definitive of the actual events. All projections should be considered an event's potential economic impact. The projections are based on standardized spending estimates that may or may not reflect that of the highlighted event's attendees. In addition, the projections are based on the organizer's assumptions regarding attendance, composition and characteristics. These forecasts are subject to uncertainty and evolving events, therefore actual results may vary from forecasted results. Additionally, these forecasts only recognize the economic benefits of the event, and do not consider any displacement or substitution costs that may occur as a result of hosting the event.