



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

Item No. 15.1.12
Halifax Regional Council
August 20, 2024

TO: Mayor and Members of Regional Council

FROM: Cathie O'Toole, Chief Administrative Officer

DATE: August 12, 2024

SUBJECT: **Lake District Recreation Association - Contribution and Service Agreement**

ORIGIN

This report originates with a request from the Lake District Recreation Association (LDRA) to enter into a new one-year contribution agreement with Halifax Regional Municipality (HRM) to manage the Sackville and District Community Arena.

EXECUTIVE SUMMARY

The existing Contribution Agreement between HRM and the Lake District Recreation Association (LDRA) expired on March 31, 2024, and did not include a renewal clause. Final payment to the LDRA was paid from the fiscal year 2023-2024. The annual contribution amount of \$50,000 for a five-year period (April 1, 2019, to March 31, 2024) was approved by Regional Council on March 5, 2019.

HRM received communication in June 2024 from the LDRA requesting \$50,000 in funding to be provided in the current 2024-25 fiscal year, and that these funds were required to maintain recreational services at the Sackville Arena. The previous Contribution and Service Agreement had expired March 31, 2024, and therefore no funding was included in the 2024/25 HRM Budget for the LDRA.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Suspend the rules of procedure under Schedule 2, the Audit and Finance Standing Committee Terms of Reference, of Administrative Order One, Respecting the Procedures of the Council Administrative Order;
2. Approve the expenditure(s) described in the Financial Implications section of this report; and
3. Authorize the Chief Administrative Officer to approve and sign a Contribution and Service Agreement for 2024-2025 between HRM and Lake District Recreation Association in form and content that (i) is substantially similar to the draft at Attachment 1 to this report or (ii) otherwise meets with the satisfaction of the CAO.

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 and provides recreational activity and events to the Sackville and area community.

The community arena is used extensively throughout the year. It is host to the Sackville Minor Hockey Association and the local Junior B Hockey Team. The arena also hosts 3 area high school hockey teams. Summer usage includes lacrosse, Royal Canadian Sea Cadets and Royal Canadian Army Cadets. The facility is also used year around for various community and family events, as well as patron and public meetings.

The LDRA has had two previous Contribution and Service Agreements from HRM. The first agreement in 2016 was a one-year agreement, with a renewal for up to three years intended to stabilize the SADCA operation and allow LDRA to begin longer term planning. The LDRA requested a new agreement to help support future capital project costs and ensure the facility remained in a state of good repair. A new five-year agreement was approved by Regional Council and executed in 2019. That agreement expired on March 31, 2024, and contained no renewal clause. HRM staff sent correspondence to LDRA as a reminder the agreement was expiring.

In June 2024, Regional Council approved a motion for a staff report on a services agreement with the Lake District Recreation Association with annual funding. This report will be completed in time to inform the 2025-26 budget.

Staff received communication in June 2024 from the LDRA requesting \$50,000 in funding to be provided in the current fiscal year, and that these funds were required to maintain recreational services at the Sackville Arena.

DISCUSSION

The proposed Agreement and associated \$50,000 of funding is to support capital funding for the 2024/25 year. It helps enable the LDRA to continue to successfully operate SADCA. The SADCA facility and services are incorporated into HRMs Long Term Arena Strategy (LTAS) and associated Ice Allocation Policy. LDRA's provision of recreational services in the facility provides a public benefit that would not be possible for HRM to provide without the ongoing operation of the SADCS. LDRA specific outcomes related to the SADCA are outlined in Schedule A of the Contribution and Service Agreement.

A suspension of the rules of procedure under Schedule 2 (the Audit and Finance Standing Committee Terms of Reference) of Administrative Order One will require an affirmative 2/3 majority vote of the members present and voting.

FINANCIAL IMPLICATIONS

The Contribution and Service Agreement expired March 31, 2024, and therefore there was no funding included in the 2024/25 HRM Budget. The \$50,000 in funding would be provided from two different sources. The first \$25,000 would come from the Community Grants Program and the second \$25,000 from the District Capital Account from Councillor Russell.

RISK CONSIDERATION

There are no significant risks associated with the recommendation in this Report. A contribution agreement helps to mitigate risk associated with provision of funds. The risks considered rate as Low. To reach this

conclusion, consideration was given to operational, financial, strategic and reputational risks.

COMMUNITY ENGAGEMENT

Community members make up the Lake District Recreation Association.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

Regional Council could choose to:

- Alternative 1. Decline the Contribution and Service Agreement with Lake District Recreation Association.
- Alternative 2. Amend the Contribution and Service Agreement which would require approval from the Lake District Recreation Association prior to CAO signature.

LEGISLATIVE AUTHORITY

On December 11, 2012, Halifax Regional Council directed that all reports related to budget increases be presented to the Audit and Finance Standing Committee prior to submission to Regional Council.

Halifax Regional Municipality Charter, S.N.S. 2008, c. 39 provides:

- Section 93(1) The Council shall make estimates of the sums that are required by the Municipality for the fiscal year;
- Section 79 The Municipality may spend money for municipal purposes in accordance with this section;
- Section 35(2)(d)(i) The CAO can only authorize budgeted expenditures or within the amount determined by Council by policy;
- Section 120(6) The Municipality may maintain other reserve funds for such purposes as the Council may determine;

The Procedures of the Council Administrative Order (Administrative Order One), Section 4(2), reads as follows:

Rules Adopted and Suspended

- 4. (1) The proceedings of the Council, Community Council, and committees of the Council shall be governed by this Administrative Order unless an Administrative Order, by-law or provincial enactment provides otherwise.
- 4. (2) Notwithstanding subsection (1), any one or more of the rules of procedures contained herein except for sections 5 and 41 and subsections 12(5) and 59(3) may be suspended by Council, Committee of the Whole, Community Council or a Standing Committee by the affirmative vote of two-thirds (2/3rds) of the Members present and voting.

ATTACHMENTS

Attachment 1: Lake District Recreation Association Contribution and Service Agreement

Report Prepared by: Arne Buchanan, Partnership Coordinator, Parks & Recreation 902.499-4344
Bruce Chisholm, Partnership Coordinator, Parks & Recreation 902.292.6973

Contribution Agreement

Between:

Lake District Recreation Association

and

Halifax Regional Municipality

FOR

Sackville Community Arena

91 First Lake Drive

Lower Sackville, NS, B4C 2S8

Prepared by:

Halifax Regional Municipality

Parks & Recreation

Regional Recreation Services

PO Box 1749

Halifax, Nova Scotia, B3J 3A5

www.halifax.ca

August 1, 2024

THIS CONTRIBUTION AND SERVICE AGREEMENT made the 1st day of August 2024

BETWEEN:

HALIFAX REGIONAL MUNICIPALITY ("HRM"), a municipal body corporate duly incorporated under the laws of the Province of Nova Scotia.

-and-

LAKE DISTRICT RECREATION ASSOCIATION ("LDRA"), a society incorporated under the Societies Act of Nova Scotia

WHEREAS on XX-XX-XXX HRM Regional Council approved entering into a One (1) year Contribution and Service Agreement with the Lake District Recreation Association with funding of fifty-thousand Dollars (\$50,000), subject to the execution of a formal contribution and service agreement.

NOW, THEREFORE the parties hereto 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 LDRA in accordance with section 3.01 of this Agreement.
- c) **"Facility"** means the facility and activities located at Sackville Arena 91 First Lake Drive, Lower Sackville, owned and operated by LDRA.
- d) **"Fiscal Year"** means the annual period ending on March 31st of each year during the term of this agreement
- e) **"HRM"** means Halifax Regional Municipality.

SECTION TWO TERM

Section 2.01 Term of Agreement

a) The term of this agreement shall be one (1) year, commencing April 1, 2024 and ending March 31, 2025.

SECTION THREE CONTRIBUTION OF FUNDS

Section 3.01 Amount of Contribution

a) HRM shall make a contribution to LDRA in the amount of one fifty-thousand Dollars (\$50,000) (the "Contribution Amount") each Fiscal Year during the term of this Agreement to be used by LDRA towards its capital expenses incurred during that Fiscal Year.

b) LDRA acknowledges and agrees that the Contribution Amount is subject to Council appropriating the funds through its annual budget approval process and is not guaranteed through the terms of this Agreement.

c) LDRA acknowledges and agrees that the Contribution Amount is a firm-fixed amount and that HRM is in no way responsible for LDRA's actual capital or operating expenses or any losses incurred by LDRA.

d) LDRA endeavors to achieve the outcomes described in Schedule "A".

Section 3.02 Payment Schedule

a) Subject to the terms and conditions of this Agreement, HRM shall pay the Contribution Amount to LDRA in one installment of fifty-thousand dollars (\$50,000) each Fiscal Year to be issued once all required reports have been received and HRM's approval processes have occurred.

Year	Payment Installment	Payment Released by
2024-2025	\$50,000	TBD

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 Facility operated by LDRA.

b) No portion of the Contribution Amount shall be paid to employees, volunteers, officers or directors of LDRA (i.e., salary, wage, stipend, honorarium, gift, or commission).

c) The Contribution Amount is to be fully used by LDRA during the Fiscal Year in which it is received, and no portion of the Contribution Amount may be saved or rolled over by LDRA into the following Fiscal Year. Any unused portion of the Contribution Amount shall be returned by LDRA to HRM at the end of the Fiscal Year.

d) HRM has authorization to prohibit LDRA's planned spending of the Contribution Amount if deemed inappropriate by HRM.

e) HRM may cease providing and/or cancel its provision of the Contribution Amount (or any portion thereof) without notice if at HRM's sole discretion LDRA breaches any term or condition of this Agreement, including but not limited to the failure of LDRA to achieve the outcomes described in Schedule "A".

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

Section 4.01 Registry of Joint Stocks

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

Section 4.02 Accounting Records

a) LDRA shall maintain a complete and proper set of accounting records following the Generally Accepted Accounting Principles 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 LDRA pursuant to this agreement and the right to make copies thereof and take extracts therefrom.

Section 4.04 Annual Reports

a) LDRA shall provide a written report to HRM before or by December 31st of the Fiscal Year detailing:

- i) the proportion of the Contribution Amount spent in the Fiscal Year to date; and
- ii) The proposed nature of activities the Contribution Amount will be used for moving forward.

b) LDRA shall provide a written report to HRM on or before May 15th of the Fiscal Year summarizing the activities funded by the Contribution Amount in the previous Fiscal Year with reference to the outcomes listed in Schedule "A".

c) LDRA shall provide their financial statements from the previous Fiscal Year no later than 90 days after the yearend date of March 31, 2025

d) LDRA understands and agrees that HRM may use any and all of the above-referenced reports in its consideration of any future funding requests from LDRA.

**SECTION FIVE
LIABILITY AND INDEMNITY**

Section 5.01 Risk

a) LDRA agrees to supply at its sole cost and expense all staff, equipment and resources necessary to operate the Facility.

Section 5.02 Indemnification

a) LDRA agrees that it will indemnify, defend and hold harmless 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 LDRA's operations or out of HRM's contribution of the Contribution Amount to LDRA.

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: Manager, Facility Partnerships
Parks and Recreation
P.O. Box 1749
Halifax, NS B3J 3A5

Lake District Recreation Association

Attention: President
Lake District Recreation Association
91 First Lake Drive, PO Box 47
Lower Sackville, NS, B4C 2S8

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) LDRA acknowledges that this Agreement is a public document and that any information, document, or record, in any form, provided to HRM by LDRA 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.

[Signature page to follow.]

SIGNATURES

The Parties have executed this Agreement through authorized representatives on the date stated opposite each respective Party's signature.

SIGNED AND DELIVERED:

HALIFAX REGIONAL MUNICIPALITY

Witness

Per: _____

Witness

Per: _____

LAKE DISTRICT RECREATION ASSOCIATION

Witness

Per: _____

Witness

Per: _____

Schedule A - LDRA Outcomes

1) LDRA shall provide a safe environment for all patrons of the Facility consistent with HRM's priority of health and safety. This includes:

- a. Compliance with *Nova Scotia Occupational Health and Safety Act* requirements for recreation facilities
- b. Production of applicable inspection records from time to time, as requested
- c. Establishment of health and safety policies comparable to HRM
- d. Production of insurance certificates evidencing good standing, as requested
- e. Provision of reasonable and timely disclosure of any health and safety concerns of the Facility

2) LDRA shall demonstrate its continued delivery of a quality sport and recreation facility on behalf of the community of Sackville, consistent with HRMs priority of building healthy communities. The LDRA currently hosts the following:

1. A. Three free weekly public skates from October to March. The number of participants averages 40 per skate.
B. Free jam sessions on Tuesday nights where participants bring an instrument and play with other musicians. Average number of participants is 30 per week.
2. Description of activities held in the Facility includes:
 - Sackville Minor Hockey (all levels)
 - Junior B team
 - 3 area high schools (girls and boys teams)
 - Various men's recreational hockey leagues
 - Lacrosse (June to late August)
 - Ball hockey (June to late August)
 - Meeting rooms for rent

The arena hosts, on average, approximately 10,000 patrons weekly from September to April

3) LDRA shall enhance accessibility of the Facility and support access to surrounding splash pad and trails, consistent with HRM's priority of service excellence. This includes:

- a. Participation in HRM Long Term Arena Strategy Process including but not limited to Ice Allocation Policy Process & HRM Fee Study Process (i.e. correspondence, attending applicable meetings and submission of data, as requested by HRM)
- b. Adoption of accessibility policies comparable HRM community accessibility policies
- c. Providing community access to LORA parking lot for surrounding HRM splash pad and trails

4) LDRA shall continue to operate in a financially responsible manner with the intent to maximize the community's access to recreation opportunities.