

Halifax Forum Community Association  
2015/2016 Annual Managers Report  
May 2016

**Forward:**

We began our fiscal year with a \$200,729 accumulated deficit.

In April 2015, the Halifax Forum Community Association's directors were as follows: Chairman George Findlay, Vice Chairman Terry Gallagher, Mr. Chris Spurdakes, Mr. Ted Fowler, Mr. Blair Landry, Councillor Jennifer Watts, Mr. Hap Hanson, Mr. George Hallett, Mr. Tom Abraham, Mr. Paul Card, Mr. George Fox and Mr. Wayne O'Brien.

It was with a great sense of loss that the board acknowledged the passing of Chris Spurdakes in June 2015. Chris was a former Chairman and 31 year member of the board.

**Re-development:**

Our redevelopment project replaces the Long Term Arena Strategy as the most significant undertaking in the current fiscal year. Our redevelopment project facilitates the continuation of another fiscal year with no capital funding, and no ability to sign any long term contracts. Although the loss of revenue is significant and important, the lack of funding to re-invest in our infrastructure is devastating. The MPC is in need of a face lift, and its condition restricts our advertising potential and the ability to project an adequate, attractive facility for some events.

The year began with HRM working on a redevelopment project charter to include:

1. A renovation based on the 2014 HFCA submission
2. Possible mixed use partnerships

HRM's proposing a September 2016 construction tender, September 2017 demolition and a September 2019 opening.

HRM staff were kept busy planning the Dartmouth Sportsplex renovation and the new Dartmouth 4-pad. Progression on our project was extremely slow, and at year end the first tender for a peer review was still in the planning stages.

To complicate matters, our main point of contact at HRM announced her retirement and will be gone early in fiscal 2016/2017.

Several concerns which could potentially influence our development came to light this year.

1. The LTAS established 25 as the optimum number of arenas in HRM. Parks and Recreation now feels that 24 is the right number, and with the closing of Shannon this is the current number in HRM. Devonshire, LeBrun, Bowles and Gray are scheduled to close when the Dartmouth 4-pad opens.

What arena closes when the Forum adds a new ice pad?

2. There have been consistent reports of private sector 2-pad arenas being built in Bedford and Preston. If either of these become a reality, is there a need for a third pad at the Forum?
3. Dalhousie continues to meet with potential partners for a south end arena.

### **Introduction:**

2015/2016 was a tremendously successful financial year. Although audited figures are not yet available we increased our contribution to our reserve account and still had an operating surplus in.

A report in June 2015 indicated that Exhibition Park was in need of 9 million dollar in capital repairs, and the province was planning to close the facility. Staff were approached by a number of promoters needing to find a venue for their event. The board decision not to cancel ice or existing events for transfers from Exhibition Park never became problematic as Exhibition Park was purchased by the private sector (Oct 2015) and remained open. We did secure a few transferred events which have signed again for 2016/2017.

### **HRM/Governance**

The vacant Multi District Facility Coordinator's position and was filled and the successful candidate was introduced as a non-voting, board member in March 2016.

The report on governance of major facilities is now expected to be back before council in June 2016.

### **Budget / Capital Projects:**

We proposed 4.1 million balanced budget.

There was no capital funding in 2015/2016 as we await the re-development project.

### **Reserve Funding:**

The Forum continues to fund an equipment reserve account.

## **Revenue:**

### **Ice Rentals:**

Prime time ice rates remained the same as 2013/2014, with our \$190 rate for minor groups now being well below the norm in HRM, only Devonshire offer a less expensive rate. Examples of prime time rates in selected HRM arenas are as follows:

<b><u>Facility</u></b>	<b><u>Prime</u></b>	<b><u>Youth</u></b>
BMO	270.00	218.50
Dartmouth Sportsplex	225.00	225.00
Sackville Sports Stadium	225.00	225.00
St. Margaret's Centre	225.00	220.00
Halifax Forum (Civic)	215.00	190.00

A report went to Council in March 2016, recommending that a consistent fee structure for ice surfaces be included with the study of all recreation fees. This may be an issue for 2016/2017.

HRM is looking at an arena based booking and payment system. An information report went to Council in February 2016. This report originated in 2012, and at that time included a centralized scheduling process. This report has not been actioned. The Forum has been using a web-based booking and payment system with tremendous success since November 2012.

Other significant revenue streams include concessions, advertising, concerts, trade shows, rental sales and bingo.

### **Bingo**

The customer bingo loyalty program was instituted in 2015/2016, with over 800 members registered at year end. This program allows us to reward customers based on the number of visits per month. It also provides us with a data base for our customers and invaluable player information.

Personal electronic verifiers (electronic Bingo) have not yet been approved by the Alcohol and Gaming Authority. Our bingo plans for next year include a "chase the ball" promotion, hoping to piggy back on the successful Chase the Ace promotions.

## **Events**

The HFCA changed our host ticketing company in 2015 from Ticketpro to ETIXnow.

## **Expenses:**

Operating expenses this year were 2% lower than last year: Salaries and wages and mechanical equipment being the main variances.

## **Capital:**

No capital funding this year, awaiting the re-development project.

## **Fuel:**

The Forum heating system was converted from oil to natural gas in 2009 with tremendous initial savings. Staff have been complaining in recent years about the cost of natural gas, but upon review it appears that natural gas is more economical than oil or propane:

## **Non-Routine Special:**

This year's projects included many repairs from the winter of 2015 (Civic roof repairs, Civic fan, ductwork, snow guard, exhaust hood, fence, gutters and downspout)

This years projects were kept to emergency needs, repairs and safety issues. Projects included paving, camera repairs, new fryers, equipment from the Rocky Lake dome and resurfacing Forum steps (stonhard)

## **Salaries and Wages:**

Salaries and wages actually decreased (less than 10%) from last year. The main contributing factors were the continued vacancy in our Development Manager's position and a seven month delay in hiring a replacement for a retiring CUPE Employee.

## **Mechanical Equipment/Vehicle Repairs:**

Staff are not recommending any summer or preventative maintenance, as we await the new plant included in our re-modelling. Until this time we will continue to fix it when it breaks. Our ice resurfacers (Zamboni and Olympia) are the main recipients of our repair dollars.

Ice resurfacers are designed for flat surfaces. Ours are constantly being driven up and down hills and end up being parked every hour on a hill. This is hard on these extremely heavy machines, but is inevitable with all the different floor levels between the Forum, Civic and the plant.

### **Outlook:**

### **HRM:**

As predicted Parks and Recreation had their hands full with several projects(Dartmouth 4-pad, Dartmouth Sportsplex.) Forum staff expected and received limited interaction on our re-development. Dartmouth 4-pad appears to be on schedule for a September 2017 opening. Ellis Don is the contractor and Nustadia has been chosen as the private operator Same companies as BMO 4-pad.)

We expected ramifications and recommendations from the Governance Report to be the main point of contact with HRM last year, This never materialized, as the report did not go to council, and is now scheduled for June 2016. We may have 2016/2017 interaction, but our main point of contact appears to be with the HRM Finance Department, and HRM Corporate Health and Safety.

Corporate Safety is performing an Occupational Health and Safety assessment in all major facilities. This very detailed report will be a ‘make work’ project and financial expense in the near future.

### **Farmer’s Market:**

The Farmer’s Market is interested in signing a new one (1) year contract through April 2017

### **Peer Review:**

The peer review to analyze the business case and projections, regarding the proposed Forum refurbishment and expansion, is scheduled to be issued in April 2017.

The review is designed to review and verify the proposed capital cost of the project, the five year proforma, and to provide a cost benefit analysis of whether the facility should remain open during construction.

Our re-development project has had little or no progress since the summer of 2014. This all changes next year as we prepare for construction beginning September 2017.

Sincerely submitted,

A.M. Driscoll, General Manager  
Halifax Forum Community Association