

HALIFAX REGIONAL MUNICIPALITY

GRANTS COMMITTEE MINUTES February 1, 2010

PRESENT: Councillor Barry Dalrymple, Vice Chair
Councillor Jennifer Watts
Councillor Peter Lund
Councillor Jim Smith
Mr. Geoff Baker
Ms. Gina Byrne
Mr. Andrew Higdon
Mr. David Woo

REGRETS: Councillor Russell Walker, Chair
Deputy Mayor Brad Johns
Ms. Monica Jordan

ABSENT: Ms. Pamela Henley

STAFF: Ms. Peta-Jane Temple, Team Lead, Tax, Grants and Special
Projects
Ms. Krista Tidgwell, Legislative Assistant

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1. CALL TO ORDER

The meeting was called to order at 1:06 p.m. in Duke Boardroom 1, 3rd Floor Duke Tower, Halifax, with Councillor Barry Dalrymple as Chair.

2. APPROVAL OF MINUTES - December 7, 2009

MOVED by Councillor Lund, seconded by Councillor Smith, that the minutes of December 7, 2009, as presented, be approved. MOTION PUT AND PASSED.

3. APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS

MOVED by Councillor Peter Lund, seconded by Mr. Andrew Higdon, that the Order of Business, as presented, be approved. MOTION PUT AND PASSED.

4. DEFERRED BUSINESS

4.1 HRM Community Facility Partnership Fund 2009-2010

- A staff report dated January 15, 2010 was before to the Committee.

Ms. Peta-Jane Temple, Team Lead, Grants & Contributions, provided an update the Committee. The following points were noted:

- 2010 was the first year for an open call for applications
- requests for funding in 2010 exceeded \$3 million, however, the HRM Grants Committee has a budget of \$1 million
- the Community Facility Partnership Fund will be carried forward for the next four years, including 2010, subject to budget capacity
- there is a need to establish a reserve for 2010 to carry forward through 2011 due to an outstanding balance owed to the Farmers Market
- the final instalment of the outstanding balance of \$350,000 will be paid forth at the end of 2010, pending the approval of the architects involved in the project
- staff have recommended an unrestricted \$500,000 be carried forward into the 2011 reserve
- the funds held in the reserve will not be absolved if they are not utilized during the designated year; residual portions of the funds will carry forward
- the St. Patrick's Church application has been deemed ineligible due to insufficient information provided by the applicant regarding their budgetary needs and project costs
- the St. Patrick's Church has been sent a letter of notification from staff

- informing them of their ineligibility to receive funding, as well as, an invitation to attend a debriefing regarding the Committee's decision
- the Shubenacadie Canal Commission scored the highest of all applicants but was deemed ineligible due to fact they were unable to confirm they had ascertained 50% of the funding required for their proposed project
- the Committee would also be looking for a commitment from the Province of Nova Scotia, owner of property, to match any funding submission from HRM
- NSCAD's proposed Institute of Creativity scored well in terms of the development of cultural industry
- HRM would not be responsible to provide funding for the development of the retail space below the Institute of Creativity
- Newly opened space generated by the relocation of NSCAD's library would generate new commercial taxes, given the new occupants of the vacated space would be retail businesses
- any grant issued to NSCAD by HRM would in effect be recovered by way of commercial taxes generated by the new retail businesses occupying that space
- information regarding the viability of a new commercial retail establishment in the proposed space, as well as, an absence of information regarding the curriculum that would be taught at the Institute of Applied Creativity would be beneficial for a future application
- the proposed relocation and construction, although beneficial to the students, faculty and alumni of NSCAD, may not be as inclusive and beneficial to the general public
- an information for a debriefing regarding NSCAD's application will be extended
- Shubenacadie Canal Commission and NSCAD will not be given preferential treatment during the 2011 assessment of applicants, but will not be required to resubmit a whole application but rather a supplementary application
- staff have recommended that the \$500,000 grant to the Citadel Theatre Society be paid in two installments, however, this recommendation can be revised to be paid out in one lump sum, to assist in getting the theatre operational in advance of the Canada Games, as well as, provide the theatre a means to generate revenue

The Committee agreed to split the recommendation as follows:

MOVED by Councillor Watts, seconded by Councillor Lund, that the HRM Grants Committee approve in principle a one-time capital grant in the amount of \$500,000 to the Citadel Theatre Society, Halifax, from Account #M310-8004 (Other Fiscal Services-Grants), to be held by HRM pending fulfilment of the terms and conditions set out in the Discussion section of the January 15, 2010 staff report and Ministerial approval as per Section 133 (6) of the Education Act.

MOVED by Councillor Jennifer Watts, seconded by Ms. Gina Byrne, that the HRM Grants Committee approve the carry forward of the application from the Shubenacadie Canal Commission and NSCAD as per the Fund's policy (Item 5.4) for further consideration in the 2010-2011 program.

MOVED by Ms. Gina Byrne, seconded by Mr. Geoff Baker, that the HRM Grants Committee approve an unrestricted carry forward of \$500,000 from Account #M310-8004, to be held in reserve by HRM for the 2010-2011 year pending any appeals or new applications.

MOVED by Mr. Andrew Higdon, seconded by Councillor Lund, that the HRM Grants Committee confirm the ineligibility for the application submitted by the St. Patrick's Church Restoration Society.

MOVED by Mr. Andrew Higdon, seconded by Councillor Lund, that the HRM Grants Committee approve the development of a designated reserve for the purpose of any carry forward, hold-back, refund, or residual portion of the Fund's budget.

Councillor Lund asked what type of facility the Citadel Theatre will be based on concerned raised from members of arts community.

Ms. Temple advised that the Citadel Theatre will be more music based. She further indicated that there are a number of new arts facilities being developed throughout HRM, which are being built with the design of school auditoriums. The Citadel Theatre Society has gone above and beyond replacement of two prior school auditoriums, making additional provision so the community arts sector will be able to access the theatre. She noted the importance that each theatre will need to make its case based on merit.

Councillor Dalrymple indicated that the Shubenacadie Canal Commission is able to acquire 50% of the required funding through the Federal and Provincial governments, as well as, private sectors, however, has been advised that those sectors are willing not provide funding unless HRM confirms the other 50% of funding first. He suggested HRM provide funding to the Shubenacadie Canal Commission subject to the addition 50% of funding being acquired prior to August 1, 2010.

Ms. Temple cautioned the Committee that supporting the Shubenacadie Canal Commission could be seen as a unfair to NSCAD who has a higher percentage of funding already in place. Council has not had an opportunity to debate the allocation of the Community Facility Partnership Program for 2011. It would be unwise to place the Shubenacadie Canal Commission ahead of NSCAD not knowing what the budget implications will be for next year's program. Awards to the applicants should be based on merit rather than some other form of allocation such as the location of the applicant.

Cathie O'Toole, Director, Finance, noted that the \$1 million is in the Community Facility Partnership Program budget, however, nothing is confirmed until Regional Council has approved the budget. Should the Committee chose to carry forward funding it would be held in the reserve as restricted funds and suggested a deadline be put in place on those funds. Should the applicant be unsuccessful at obtaining the additional 50% of funding, then those funds can be used when considering the 2010-2011 applications.

During the ensuing discussion, Ms. Temple noted that the second motion indicates that the HRM Grant's Committee would carry forward the Shubenacadie Canal Commission and NSCAD into 2010-2011 applications. \$500,000 would be carried forward as unrestricted funds from the Community Facility Partnership Fund. Both applications would be placed with any other applications for the 2010-2011 year. The Committee also has the option to amend the second motion to carry forward an amount only for the Shubenacadie Canal Commission subject to 50% of the funding being confirmed by a determined deadline. NSCAD would be carried forward and would be placed with the other applicants that are applying for the 2010-2011 year. The \$500,000 would be restricted to give first consideration to the Shubenacadie Canal Commission. Should the Shubenacadie Canal Commission fail to meet the deadline set under the conditions, the money would become unrestricted and they would become part of the other applications up for consideration for 2010-2011.

Mr. Higdon asked whether NSCAD could also go through the same process as the Shubenacadie Canal Commission with the condition that they could confirm finances by August 1, 2010.

Ms. Temple indicated that the Committee should not hold an open call for applications for the 2010-2011 if they are going to pre-commit all of the money for that year. She advised that the Community Facility Partnership Fund's policy states that any applicant carried forward without a commitment is not provided preferential consideration relative to new applicants.

Ms. O'Toole further urged the Committee not to give the Shubenacadie Canal Commission or NSCAD preferential consideration for the 2010-2011 year without having the funds secured in the budget. She indicated that both Committees would likely score higher during the 2010-2011 application review and recommended the Committee give funding to applicants that are ready to proceed.

Councillor Lund suggested the option to have Regional Council send a letter to the Federal and Provincial governments stating HRM is prepared to finance \$500,000 towards the Shubenacadie Canal Commission subject to the governments providing the additional 50% of funding.

Councillor Dalrymple reminded the Committee that the Shubenacadie Canal Commission has been around for many years and has fund-raised millions of dollars over those years.

Ms. Temple noted that if the Committee decides to carry forward an application and secure funding for that applicant, that the Committee do so for NSCAD based on the fact that they have 80% confirmed funding in place.

Councillor Watts indicated that she would like to see more detail and information regarding the Institute of Applied Creativity.

Mr. Baker advised that in Table 1 of the January 15, 2010 report, NSCAD has a percentage of 68.8%, which should be rounded to 69%, however, the percentage in the table is 70%. Ms. Temple indicated that she the percentage should be 69% and she would make the correction.

Following discussions, Councillor Watts, with the agreement from the seconder, withdrew her motion and it was **MOVED by Ms. Gina Byrne, seconded by Councillor Jim Smith that the HRM Grants Committee approve a conditional award in the amount of \$500,000 to the Shubenacadie Canal Commission, Dartmouth, from Account #M310-8004 (Other Fiscal Services-Grants), carried forward to fiscal year 2010-2011, subject to 50% of funding confirmed and the balance secured by August 30, 2010.**

Ms. Byrne, with the agreement from the seconder, withdrew her motion and it was **MOVED by Ms. Gina Byrne, seconded by Councillor Jim Smith, that the HRM Grants committee approve the carried forward of the application for NSCAD as per the funds policy for further consideration for the 2010/2011.**

Mr. Higdon requested staff review the figures for NSCAD, noting that on page 22 and 23 of the January 15, 2010 report, the \$3,225,000 should be \$3,255,000, the \$1,135,000 below that figure should be \$1,035,000 and the third figure of \$3,380,000 should be \$3,388,000. Ms. Temple advised that staff would follow on this and make the necessary corrections.

Councillor Lund asked whether the Committee could anticipate an appeal from the St. Patrick's Church Restoration Society. Ms. Temple advised that applicants have the option to make an appeal, should the Society chose to do so, the Community Facility Partnership Fund's policy states that the applicant would be considered during the next fiscal year. She further advised that letters have been sent out to each of the applicants giving notification of staff's recommendation.

The Committee voted as follows:

MOVED by Councillor Watts, seconded by Councillor Lund, that the HRM Grants Committee approve in principle a one-time capital grant in the amount of \$500,000 to the Citadel Theatre Society, Halifax, from Account #M310-8004 (Other Fiscal Services-Grants), to be held by HRM pending fulfilment of the terms and

conditions set out in the Discussion section of the January 15, 2010 staff report and Ministerial approval as per Section 133 (6) of the Education Act. **MOTION PUT AND PASSED.**

MOVED by Ms. Gina Byrne, seconded by Councillor Jim Smith that the HRM Grants Committee approve a conditional award in the amount of \$500,000 to the Shubenacadie Canal Commission, Dartmouth, from Account #M310-8004 (Other Fiscal Services-Grants), carried forward to fiscal year 2010-2011, subject to 50% of funding confirmed and the balance secured by August 30, 2010. **MOTION PUT AND PASSED.**

MOVED by Ms. Gina Byrne, seconded by Councillor Jim Smith, that the HRM Grants committee approve the carried forward of the application for NSCAD as per the funds policy for further consideration for the 2010/2011. **MOTION PUT AND PASSED.**

MOVED by Mr. Andrew Higdon, seconded by Councillor Lund, that the HRM Grants Committee confirm the ineligibility for the application submitted by the St. Patrick's Church Restoration Society. **MOTION PUT AND PASSED.**

MOVED by Mr. Andrew Higdon, seconded by Councillor Lund, that the HRM Grants Committee approve the development of a designated reserve for the purpose of any carry forward, hold-back, refund, or residual portion of the Fund's budget. **MOTION PUT AND PASSED.**

5. BUSINESS ARISING OUT OF THE MINUTES - None

6. REPORTS

6.1 Non-Profit Tax Exemption (By-law T-200): Proposed Re-Design - Staff Presentation

Ms. Peta-Jane Temple, Team Lead, Grants & Contributions, provided an update to the Committee regarding the renewal list of organizations on the non-profit tax exemption list. Highlights were as follows:

- the estimated cost for renewals for existing organizations will be an additional \$260,000 based on the 2009 tax rate and the 2010 assessed values
- an additional \$120,000 for new applicants will need to be allocated, this is a conservative estimate; this estimate is based on declining all requests from
 - existing organizations requesting an increase in their current level of tax exemption

- organizations that lease property
- non-profit housing co-ops
- despite increases in the budget over the past four years, it has been difficult to meet the requests for increased exemptions from existing groups, let alone taking on new applicants
- the possibility of tax exemption for organizations that are based exclusively on a volunteer workforce
- the possibility of a higher level of tax exemption to organizations that do not receive core funding
- the possibility of elevated tax exemptions related to new construction or additions to existing facilities
- staff suggest that the Committee review residential and backlog and move into commercial
- staff suggests that as part of the re-design, there is a need to reclassify existing groups on the tax exemption list based on:
 - the level of assistance they provide to a particular geographic area
 - clientele
 - nature of service
 - volume
 - prevalence of core funding or lack there of
 - surplus generated through facilities
- all these factors would dictate the level of tax exemption the group would be entitled to

Cathy O'Toole, Director, Finance, indicated that Council has approved a number of strategic plans and there have been no modifications to the Grants' programs for the tax exemption to reflect those changes. The tax exemptions for non-profits are unlike the residential and low income programs. The residential and low income programs have an automatic indexing applied to them to adjust their Consumer Price Index (CPI), as well as, the low income level is adjusted, so they automatically get some increase. There has not been an increase to the non-profit tax exemption for many years. A motion would be required from Council to direct staff to build an additional fund for the non-profit tax exemption program. The Committee could also wait until the budget has been tabled and proceed to Council with a recommendation during the budget debate.

In response to a concern raised by Councillor Smith, Ms. O'Toole provided confirmation that the tax exemption re-design is originating through the HRM Grants Committee. She indicated that tax reform originated as an exercise approved by Council, which then was referred to the committee and then back to Council. Council was not receiving the same level of involvement or information. The HRM Grants Committee will be proceed to Council with recommendations which Council will debate.

Councillor Dalrymple indicated that the tax exemption budget does need to be increase and whether the Committee would like to make a motion in this regard. As well, whether the Committee is prepared to request more information from staff and move

forward with discussion regarding residential properties. Ms. Temple advised it is not under the jurisdiction of the Grants Committee to make a motion to increase the tax exemption budget. Council has the option to enter into discussion regarding additional funding during budget deliberations.

Ms. O'Toole confirmed that Committees of Council are not able to add money to the budget process, however, Committees have the option to request that information be available to Council in conjunction with the budget process for Council's consideration. She indicated that an information report could include the historical usage of the program, funding and the projected backlog for 2011.

During the ensuing discussion, it was **MOVED by Councillor Watts, seconded by Councillor Lund, that the HRM Grants Committee request staff to prepare an information report on the shortage of funding for the non-profit tax exemption budget. MOTION PUT AND PASSED.**

Ms. Temple indicated that many organizations are dependent on the tax exemption. Council would need to provide a sufficient amount of notice to organizations affected, if there were to be any reductions to the program.

At the next HRM Grants Committee meeting, the Committee will begin discussions regarding the non-profit tax exemptions for residential properties.

- 7. ADDED ITEMS - NONE**
- 8. NEXT MEETING DATE - March 1, 2010**
- 9. ADJOURNMENT**

The meeting was adjourned at 3:15 p.m.

Krista Tidgwell
Legislative Assistant

**INFORMATION ITEMS
February 1, 2010**

1. Letter to Mental Health Foundation of Nova Scotia dated December 8, 2009 from Ms. Peta-Jane Temple, Team Lead, Grants & Contributions re: HRM Community Grants Program 2010: Eligibility Adjudication