

GRANTS COMMITTEE
MINUTES

March 3, 2014

PRESENT: Councillor Russell Walker, Chair
Councillor Barry Dalrymple, Vice Chair
Councillor David Hendsbee
Councillor Matt Whitman
Mr. Darren Watts
Ms. Kate Watson
Mr. Francis Glover
Mr. Donald Dodge
Mr. Jason Cooke

NOT PRESENT: Ms. Corinne Peters

STAFF: Mr. Bruce Fisher, Manager, Financial Policy and Planning
Ms. Peta-Jane Temple, Team Lead, Tax, Grants & Special
Projects, Finance and ICT
Ms. Tara Legge, Real Estate & Land Management
Ms. Jennifer Weagle, Legislative Assistant

TABLE OF CONTENTS

1.	CALL TO ORDER.....	3
2.	APPROVAL OF MINUTES – February 3, 2014	3
3.	APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS.....	3
4.	BUSINESS ARISING OUT OF THE MINUTES - None	3
5.	CONSIDERATION OF DEFERRED BUSINESS – None	3
6.	CORRESPONDENCE, PETITIONS & DELEGATIONS - None.....	3
7.	REPORTS	3
7.1	Less Than Market Value Lease to Shakespeare by the Sea Theatre Society for 5480 Point Pleasant Drive, Halifax.....	3
7.2	Program Re-Design – Tax Relief for Non-Profit Organizations.....	4
8.	ADDED ITEMS	5
8.1	Info Item No. 1 HRM Leasing of Property Owned by a Non-Profit Organization: Tax Implications (information report dated February 25, 2014).....	5
9.	NEXT MEETING DATE – April 7, 2014	5
10.	ADJOURNMENT	5

1. CALL TO ORDER

The Chair called the meeting to order at 1:00 p.m. in Halifax Hall, City Hall, 1841 Argyle Street, Halifax. Introductions were held.

2. APPROVAL OF MINUTES – February 3, 2014

Ms. Watson noted a duplication in the attendance section of the minutes.

MOVED by Councillor Whitman, seconded by Kate Watson, that the Grants Committee minutes of February 3, 2014 be approved, as amended. MOTION PUT AND PASSED.

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

Additions:

- 8.1 Info Item No. 1 HRM Leasing of Property Owned by a Non-Profit Organization: Tax Implications (information report dated February 25, 2014)

MOVED by Francis Glover, seconded by Kate Watson, that the order of business be approved, as amended. MOTION PUT AND PASSED.

4. BUSINESS ARISING OUT OF THE MINUTES - None

5. CONSIDERATION OF DEFERRED BUSINESS – None

6. CORRESPONDENCE, PETITIONS & DELEGATIONS - None

7. REPORTS

7.1 Less Than Market Value Lease to Shakespeare by the Sea Theatre Society for 5480 Point Pleasant Drive, Halifax

A report dated January 20, 2014 was before the Committee.

The Committee briefly discussed the report, with staff responding to questions of clarification.

MOVED by Councillor Whitman, seconded by Jason Cooke, that the HRM Grants Committee recommend that Halifax Regional Council authorize the Mayor and Municipal Clerk to enter into a less than market value lease agreement with Shakespeare by the Sea Theatre Society for the building located at 5480 Point Pleasant Drive, Halifax, as per the key terms and conditions set out in Table 1 of

the discussion section of the January 201, 2014 report. MOTION PUT AND PASSED.

7.2 Program Re-Design – Tax Relief for Non-Profit Organizations

A report dated February 25, 2014 was before the Committee.

Ms. Temple introduced the report by noting that the program re-design is about improving equity and customer service issues staff would like to address. She indicated that the Committee would proceed with the review of the re-design of the program step by step over several meetings.

MOVED by Darren Watts, seconded by Councillor Hendsbee, that, for the purposes of discussion, staff return to the Grants Committee with specific details on a revised Tax Relief Program including:

- a. The recommended Program Categories and any alternatives;**
- b. The formulas used for non-profit taxation;**
- c. Options for the specific tax rates and their impacts on non-profit sectors;**
- d. The impact on additional non-profits applying to the program;**
- e. The role of the Grants Committee in any future program;**
- f. Transitional issues; and**
- g. Public consultations.**

Mr. Fisher discussed the report, noting that staff are bringing forward the program re-design early in the process to the committee for input, noting that members may think of some things that staff hadn't thought of. Ms. Temple advised that following review and feedback by the Grants Committee, the program re-design will be brought forward to the Audit & Finance Standing Committee, and Regional Council. Staff estimate a 2017 completion date for implementation of the re-designed program. Staff intend to come back to the Committee with what the transitional grants program will look like, and they wish to take their time to ensure everyone involved in the program have a good understanding of the issues.

Darren Watts noted that it would be helpful to have a list of the non-profit organizations currently in the program and their tax relief amounts.

Councillor Dalrymple commented that the current program is broken, and there is inequity in who gets what, noting that some organizations are granted tax exemption, while others wait for years. He noted that he is glad the re-designed program will be phased in, to make changes easy on organizations involved. Councillor Dalrymple noted that not all organizations use social media, and in person meetings will be important to consult and inform groups.

Councillor Hendsbee noted several variables when it comes to comparing the same types of organizations, such as some community facilities having video lottery terminals for income, and other similar facilities not. He also noted an issue for staff to consider is

allowing tax concessions for the destruction of property by fire only, and not floods or hurricane damage. Mr. Fisher indicated that Regional Council approved tax relief for destruction by fire.

The Committee and staff discussed the proposed program categories: (a) housing and homelessness; and (b) community non-profit and what these categories could include. The possibility of a third category, alternative service delivery, was discussed, as well as changing the three categories to: (a) housing and homelessness, (b) alternative service delivery, and (c) other. Ms. Temple indicated they would research potential definitions for alternative service delivery for consideration.

Councillor Whitman inquired whether a revenue neutral option has been considered by staff. Ms. Temple indicated that it had not, but advised she would inquire if one could be developed for review.

Ms. Temple indicated that at the next meeting the Committee can further discuss program categories. The Chair requested that the Committee be provided with a list of which organization is currently under which category. Ms. Temple also indicated that staff will be looking at other programs in Canada to examine how they run grants programs while protecting the public interest.

8. ADDED ITEMS

8.1 Info Item No. 1 HRM Leasing of Property Owned by a Non-Profit Organization: Tax Implications (information report dated February 25, 2014)

Councillor Dalrymple requested an update on the Windsor Junction Community Centre, and whether they are still guaranteed to be in tax exemption process for 2013. Ms. Temple indicated that their tax relief will be pro-rated for 2014 to when they go on record as owner of the whole property. She clarified there will be no change for 2013. Ms. Temple indicated she would prepare a letter to the Community Centre and copy the Committee.

9. NEXT MEETING DATE – April 7, 2014

10. ADJOURNMENT

The meeting was adjourned at 2:00 p.m.

Jennifer Weagle
Legislative Assistant

INFORMATION ITEMS

1. HRM Leasing of Property Owned by a Non-Profit Organization: Tax Implications
2. Community Grants Program: Sector Allocations