

**HRM Grants Committee  
September 8, 2014**

**TO:** Chair and Members of HRM Grants Committee

Original Signed

**SUBMITTED BY:** \_\_\_\_\_  
Greg Keefe, Director of Finance & ICT/CFO

**DATE:** July 30, 2014

**SUBJECT:** Community Grants Program 2014: Appeals

**SUPPLEMENTARY REPORT**

**ORIGIN**

The *Community Grants Program* awards discretionary project and capital grants annually to eligible registered non-profit organizations and charities located within the geographic boundary of HRM. Under the program's current procedures an applicant may request further review in accordance with the program's appeals criteria.

**LEGISLATIVE AUTHORITY**

HRM Charter (2008) s.79(1)(av).

**RECOMMENDATION**

It is recommended that the Grants Committee recommend that Regional Council approve:

1. A capital grant in the amount of \$20,000 to the Lawrencetown Community Centre and \$12,000 to the Freedom Foundation, Dartmouth, for a combined total of \$32,000 from operating account M311-8004 Community Grants Program;
2. A conditional grant in the amount of \$9,000 to the Lake Charlotte & Area Heritage Society from operating account M311-8004 Community Grants Program;
3. A change in the terms and conditions of funding to the Deanery Project Cooperative Limited;
4. The decline of four (4) appeals as detailed in Attachment 3 of this report.

## **BACKGROUND**

The 2014 *Community Grants Program* received a total of 125 applications for a combined total of \$1,285,640.27 in requests. To date, a total of 63 grants have been approved by Regional Council for a combined total of \$433,225. Presently, all applicants deemed ineligible or not recommended for funding, and award recipients who wish to contest the value or terms of an award, may submit a written appeal by the deadline stated in their letter of notification. The criteria for appeal includes: information unavailable to the applicant or reviewer at the time of submission or an error in the application of policy or procedures (Guidebook, p. 36).

This year's program received eight (8) appeals by the stated deadline. Seven (7) appeals comprise requests totaling \$118,102.81 and one (1) appeal was for a change in project scope with no change in the value of grant awarded and therefore no financial implications. The balance remaining in the program's budget is insufficient to fund all appeals and some projects do not align with the program's funding priorities.

## **DISCUSSION**

A description of the eight (8) appeals and the rationale supporting a staff recommendation are included in the attachments to this report. Readers will note that alternate sources of funding have been identified in relation to some organizations not recommended for funding, notably, churches, church halls, fraternal clubs and social service providers. In some cases the program or service does not align with the Municipality's mandate and/or the program's funding priorities, for example, passive leisure activities that do not align with HRM's focus on physical activity/fitness.<sup>1</sup>

- The *HRM District Capital Fund*. A grant may be awarded to an organization such as but not limited to an educational institution, service club, sports club, daycare, church, or social service agency in circumstances where the benefit of public funding is not restricted to a specific membership or affiliation (s.2. Intent). The Fund is able to respond to small or time-sensitive requests and projects that are ineligible or of lower priority under the centralized *Community Grants Program*.
- The Nova Scotia Department of Municipal Affairs *Legion Capital Assistance Program* provides grants to branches of the Royal Canadian Legion for up to 50% of costs, to a maximum of \$10,000, with a limit of one award every 3 years. This year's program is closed but applicants could obtain information in advance of next year's program.

## **FINANCIAL IMPLICATIONS**

2014-15 Program Budget	\$500,000
Less Total Value of Awards (63)	(\$433,225)
Less Combined Value of Recommended Awards: (3)	<u>(\$ 41,000)</u>
Balance	<u>\$ 25,775</u>

If the three (3) awards recommended in this report are approved by the Grants Committee and Regional Council, the total number of grants issued in 2014 will be sixty-six (66) at a combined total cost of \$474,225.

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<sup>1</sup> Examples include health clinics/counselling, board games, darts, card parties, social meals, fundraising events, gaming, and licensed premises.

## **COMMUNITY ENGAGEMENT**

A call for applications is advertised each January with an application deadline of March 31. The program guidebook, application and reporting forms are posted on-line. Printed materials are also available through HRM Customer Centres, the HRM Call Centre, and the Grants Program office.

## **ENVIRONMENTAL IMPLICATIONS**

None.

## **ALTERNATIVES**

1. The Grants Committee could overturn a recommendation to award a grant, or amend the value of an award or the proposed conditions of funding.
2. The Grants Committee could overturn a recommendation to decline funding.

## **ATTACHMENTS**

1. Recommended Awards.
2. Recommended Change in Terms and Conditions of Funding.
3. Appeals Not Recommended for Funding.

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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.html> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Original Signed

Report Approved by: Bruce Fisher, Manager Financial Policy & Planning, Finance/ICT 490-4493

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Attachment 1

**Recommended Awards**

**SPORT, RECREATION & LESIURE**

**1. Lawrencetown Community Centre – Lawrencetown – Capital Grant/Building Repairs**

A grant of \$25,000 requested towards roof replacement. Declined on the basis of uncertain organizational sustainability and a separate application towards ballfield upgrades. The basis of appeal is:

- The grant request from the Eastern Shore Goldiggers Girls Softball Team for \$25,000 for repairs to a baseball field owned by the Centre was not endorsed by the owner and has been withdrawn;
- A new Board of Directors has instituted financial controls and developed a fundraising campaign;
- Membership and facility bookings have increased in the last four (4) months. In addition to existing programming the facility will host the addition of wellness classes, crafts, youth and family recreational fitness classes etc.;
- Sub-committees are being formed to promote expanded programming, including the formation of an Arts and Cultural Committee and Youth Interest Group;
- The roof needs immediate repair. Photographs provided to show interior ceiling water damage.
- The applicant has confirmed that a grant from the South East Community Health Board has been designated to address issues with the facility's heating system (furnace and duct work) and cannot be used for roof repairs.

The applicant has demonstrated the Board of Director's commitment to sustain operations; the probability of success cannot be determined but the progress to date in revenue diversification and inclusion is encouraging. The submission indicates a confirmed contribution of \$5,000. ***A grant of \$20,000 recommended towards repairs to the Lawrencetown Community Centre.***

**AFFORDABLE & SUPPORTIVE HOUSING**

**2. Freedom Foundation – Dartmouth – Capital Grant/Building Repairs & Energy Efficiency**

A grant of \$16,636.86 requested to fully fund assorted building repairs. Some expenses are ineligible for consideration and financial reporting incomplete. The basis of appeal is:

- Interior repairs have been completed by the Society using an emergency reserve fund;
- Financial reports submitted with application did not clearly identify restricted funds designated for reserves (GIC's) related to provision for an emergency closure of the facility (staff and/or temporary housing) and replacement of capital equipment;
- An inability to self-finance the roof repairs (\$10,867.41 plus HST).

The applicant has clarified the financial information provided and demonstrated financial need. As a registered charity the Foundation is eligible for a partial rebate on HST. ***A grant of \$12,000 recommended towards roof repair.***

**COMMUNITY HISTORY**

**3. Lake Charlotte & Area Heritage Society – Lake Charlotte – Capital Grant/**

A grant of \$25,000 requested for assorted repairs and upgrades. A grant of \$16,000 was approved for underground electrical and communications, and expansion of the fire alarm system. Roof repairs to four buildings were not funded. The basis of appeal is:

- HRM's grant forms part of the society's "community contribution" of 20% accepted by the principle funding agency (ACOA);

- The timing of the release of federal funds is leveraged by confirmation of provincial and municipal funding.
- A \$25,000 contribution from the Municipality represents 6% of total estimated costs.

In March, 2014, the Society also requested capital funding in the amount of \$40,000 through the HRM Audit & Finance Standing Committee. If all or a portion of this funding were to be awarded by Regional Council, the appeal to the *Community Grants Program* is moot (duplicate funding). As a registered charity and a registered heritage property the Society is eligible for a partial rebate on HST. ***A conditional capital grant of \$9,000 recommended towards roof repairs. Any additional funding provided through an alternate municipal source shall be deducted from the Community Grants Program award.***

Attachment 2

Recommended Change in Terms and Conditions of Funding

ENVIRONMENT

**4. The Deanery Project Cooperative Limited – Ship Harbour – Capital Grant/Building Repairs and Upgrades**

A grant of \$24,000 requested for assorted building repairs and upgrades: window replacement (\$4,700), attic insulation (\$5,077), and construction of a greenhouse (\$16,495). A grant of \$5,000 recommended to complete building insulation (in 2013, the coop received a grant of \$10,000 for wall insulation). The basis of appeal is:

- Window replacement is of highest priority. Request HRM's grant be directed to a combination of window repairs and insulation.

The window repairs cost a total of \$4,700 with \$1,200 from Efficiency Nova Scotia confirmed. Therefore, only \$3,500 of HRM's grant is required for windows. A balance of \$1,500 from HRM's grant plus \$500 committed by the coop will not fully fund the attic insulation as quoted.

Note: The value of HRM's grant is based on third party quotes provided by the applicant that include materials, labour and HST. The substitution of volunteer labour or donated materials would reduce the value of HRM's grant. Therefore, a recommendation to approve a change in project is based upon the use of a third party contractor (labour, materials, and sales tax) and proof of payment. ***It is recommended that the terms of HRM's capital grant to the Deanery Project Cooperative in the amount of \$5,000 be amended to include window repairs and attic insulation conditional upon completion of the projects as described in the applicant's quotes to support cash expenditures.***

Attachment 3

**Appeals Not Recommended for Funding**

**SPORT, RECREATION & LEISURE**

**5. St. James Anglican Church – Head of Jeddore – Capital Grant/Accessibility**

The church requested a capital grant of \$5,000 to fully fund an accessibility ramp. The rationale to decline was based on use for religious and congregational activities. The appeal claims an error in both fact and procedure on the part of the review:

- The "...application does not support any particular belief and refers only to access to a building open to the public in order to accommodate those who have disabilities....St. James has a long series of steps to access the front door, and the rear door opens onto a grassy area of the graveyard making it very difficult if not impossible for some people who have mobility problems to enter the building. We support the right of access for all people to public buildings, including churches, regardless of their denomination".
- Building code requires one access for use by the physically handicapped as does the fire code with respect to egress;
- Equal rights extends to persons with disabilities in regards to equal access and opportunity;
- The provincial *Community Access-abilities Program* excludes "church sanctuaries" from eligibility for funding;
- Marriages, baptisms, and funerals held at the church are open to any persons.

With the exception of registered heritage properties, the *Community Grants Program* does not fund churches or congregational activities: the church is not a recreation facility.

**6. Royal Canadian Legion: Valley Branch 147 – Upper Musquodoboit – Capital Grant/Building Repairs and Parking Lot**

A capital grant of \$12,465.95 requested to fully fund the installation of new laminate flooring and baseboard on upper floor (\$6,830.95), apply gravel to parking lot and install a drainage ditch (\$4,900). The application was deemed incomplete (no financial statement, no charity registration number). The basis of appeal is:

- The Legion has been without a Treasurer for 30 months;
- A brief summary of total revenues and expenses provided.

Aside from social and support services to veterans, the licensed premises primarily hosts crib tournaments, darts, kitchen parties, and rentals for private functions. Private parking lots are not a funding priority for the program. The frequency and type of use is not a strong alignment with the program's funding priorities. As of the date of appeal, the Legion did not have detailed financial statements as per the program's requirements.

- Referral to *District Capital Fund* recommended.
- Referral to the Nova Scotia Department of Municipal Affairs *Legion Capital Assistance Program* recommended.

**NEIGHBOURHOOD SAFETY**

**7. Fairview United Family Resource Centre – Halifax – Capital Grant/Facility Development**

A capital grant of \$25,000 requested towards the purchase of a property. The initial request was declined based on a lack of quotes, the program does not fund fundraising, and child care is not a funding category.

The basis of appeal is:

- There were no competing bids (quotes) towards the purchase. A copy of the Agreement of Purchase and Sale dated April 22, 2014, with acceptance of the seller's counter-offer dated April 23, 2014, was included with the appeal. The stated closing date is May 29, 2014;
- Additional information provided on safety-related programs.

The grant application preceded the Centre's offer on a property and as such the amount requested was speculative in the absence of a pre-approved mortgage value and in relation to the total cost to acquire a property. Hence, the budget was considered incomplete and the purpose of award generic fundraising.

The appeal provides greater clarity with respect to additional operational funding of \$75,000 from the Nova Scotia Department of Community Services and the United Way (\$17,000) that will be used to hire staff and "towards the monthly mortgage/operating costs". In 2014, \$12,600 of this additional operating funding was allocated to the down payment on the property. Notwithstanding a capital grant would reduce the duration of mortgage and/or interest, the extent to which these additional operating funds will be used towards mortgage payments is at the Centre's discretion in consultation with the respective funding agency. The *Community Grants Program* does not pay debt or recurring operating costs (mortgage). However, HRM may be able to assist with property tax once the new owner is added to the municipal tax roll; any tax savings realized could be re-directed towards mortgage retirement.

- Referral to the *District Capital Fund* recommended for funding in relation to social services.
- A meeting with the applicant is recommended with respect to future eligibility under the *Community Grants Program* regarding the food bank operation (Emergency Assistance category).

#### **8 .St. Mark's Anglican Church – Halifax – Capital Grant/Building Maintenance & Upgrades**

A grant of \$25,000 requested for assorted repairs and upgrades (painting, air exchange system, windows, doors, floor tiles) to the church hall which accommodates the Ward 5 Neighbourhood Centre, North End Community Day Care, and St. Mark's food bank. The church's financial statement suggest the 'resident' community groups do not pay rent but financial information for these occupants was not provided. The request was declined due to the applicant's stated uncertainty regarding the long-term sustainability of operations ("potential sale") and the type of programming conducted on-site: primarily child care and seniors social programs (meals, crafts, card games). The basis of appeal is:

- Acknowledged that the link to the Neighbourhood Safety sector's funding criteria not evident but "...there should be enough latitude within the Grants Program to provide some assistance to an organization that provides the types of services that we give to our community in the North End".
- The non-profit tenants are charged a nominal rent which allows them to operate programs with funds they raise;
- The rent (~\$2,000) goes into a capital repair fund but is insufficient to cover re-capitalization of the premises;
- St. Mark's received a capital grant of \$30,000 in 2003;
- Not seeking funds to support child care or the food bank but for upgrades to an "old and tired" building;
- The owner has no concerns regarding the day-to-day viability of the building and is seeking financial assistance for upgrades "...as indeed was the purpose of our successful application in 2003".

It should be noted that a grant issued in 2003 to enhance accessibility to the church hall was made in advance of revisions to the program's funding criteria intended to focus funding on the Municipality's jurisdiction (ie. a decrease in funding to social services following the Provincial/Municipal Service Exchange Agreement). A lack of alignment with the program's current funding criteria is acknowledged by the applicant who states "...in our perusal of the Guidebook we did have some difficulty in deciding



where our particular grant request should fit” – there is not a strong alignment with the *Community Grants Program’s* current funding priorities.

- Referral to the *District Capital Fund* recommended for funding in relation to social services.
- A meeting with the applicant is recommended with respect to future eligibility under the *Community Grants Program* regarding the food bank operation (Emergency Assistance category).