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Item No. 4

Halifax Regional Council
January 15, 2008

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in black ink, appearing to read "Dale MacLennan", written over a horizontal line.

Dale MacLennan, Director of Finance

DATE: December 24, 2007

SUBJECT: **Building Communities Fund: Capital Grants to Cemeteries - Eligibility**

INFORMATION REPORT

ORIGIN

At the Regional Council meeting of December 11, 2007, proposed changes to By-law C-700 Respecting Cemeteries was debated. During debate Councillor Streach inquired as to whether councillors can contribute funds for the upkeep of cemeteries from the Discretionary Capital Fund (now called the *HRM Building Communities Fund*). For clarity, this report also provides an overview of what types of assistance can be provided to cemeteries from both councillors discretionary funds and other HRM assistance programs.

BACKGROUND

In 2007, Regional Council approved the merger of the *Building Communities Fund* with the *Councillor's Discretionary Capital Fund*. In 2007-2008, the value of this Fund was \$65,000 per councillor. The Fund provides grants towards capital projects undertaken by the Municipality on public property or to non-profit groups whose service falls within HRM's mandate. Assistance to an individual, family or private property is not permitted.

DISCUSSION

Building Communities Fund

A cemetery owned and operated by a non-profit organization would be eligible for a capital grant from the *Building Communities Fund* for capital projects that benefit the general public but not for general operating. The type of project eligible for support includes:

- The purchase of land for the purpose of an **inter-denominational or non-denominational** burial ground or portion thereof.
- The preparation of vacant land to operationalize the site such as grading, water and storm water systems, accessible washrooms, landscaping (trees, pathways, parking), fencing etc.
- Fixed outdoor assets such as benches, signage, garbage and recycling collection, storage shed.
- Major equipment purchases such as a ride-on lawn mower or back-hoe.
- Public memorials or monuments to be located within the cemetery grounds and maintained by the cemetery operator.
- The property must be located within the geographic boundary of HRM.

Operating expenses such as general labour costs (grass-cutting), insurance, office administration etc are ineligible.

Capital grants cannot be awarded for goods and services serving an individual or private interest such as cemetery fees or funeral expenses, the purchase or replacement of grave markers, repairs to memorial markers, interment, regular on-going maintenance, or towards a perpetual care investment fund.

Because the *Building Communities Fund* is funded through the general tax rate expenditures are expected to benefit the general public; it is therefore "...expected that the general public would have access to the facility, service, or program at no cost or for a nominal fee". Consequently, the cemetery would have to be inter-denominational or non-denominational¹.

- A grant of public monies does not infer any future obligation on the part of HRM to assume all or any part of the cemetery operation should the owner cease operations.

District Activity Fund

The annual allocation for small donations and grants that are too small, time sensitive, or ineligible for funding under the centralized *HRM Community Grants Program* would include donations to religious groups. To date, examples have included community feeding programs (eg. soup kitchen, breakfast program), special events, and church-owned camp sites. A donation to a church towards cemetery care is eligible as per the Councillor's District Activity Fund: Policy and Procedures, but could not exceed the annual value of the Fund which is presently \$3,000 a year per councillor. Members of Council could, however, combine their donations to realize a higher value donation.

HRM Community Grants Program

The annual *HRM Community Grants Program* does not fund religious or congregational activities. There are, however, some exceptions:

Municipally Registered Heritage Properties: the heritage status conveys a broader public benefit ie. preservation of local historical sites. Examples of projects funded to date include capital grants to registered heritage churches for structural major repairs (roof, foundation, windows), registered heritage graveyards for repairs to artifacts (gravestones of early community settlers). Interpretation

¹ While HRM has assumed the operation of some cemeteries that were originally associated with a specific religious denominations HRM remains secular and any available lots are made available to the general public on that basis.

panels, collections management of archival church documents (genealogy), mapping, and signage would also be eligible expenses.

The perpetual care of burial grounds or general operating costs are not eligible expenses.

Church Owned and Operated Campgrounds: the provision of outdoor recreation facilities often fills a niche not served by the Municipality. Most camps are seasonal and host a significant number of children and youth. Participation would have to be inter-denominational or non-denominational to qualify.

Emergency Assistance: the provision of subsistence services for persons at risk such as equipment for a church-sponsored food or clothing bank or community feeding program.

General operating costs are not an eligible expense.

Municipal Tax Assistance

Churches, "places of worship", and burial sites are tax exempt under the Assessment Act (1998) but HRM provides additional discretionary assistance with payment of fire protection tax to churches and graveyards. Staff propose that fire protection tax assistance to non-profit organizations be included in the review of By-law T-200.

Property Sales or Leases to Non-Profit Organizations

Due to the specific nature of a cemetery operation HRM does not donate or sell public land at less than market value for this purpose. A Buy-Back Agreement cannot be affixed to the Agreement of Purchase and Sale because the land could not be used for any other purpose. In effect, the marketability of the land is diminished and in all likelihood could only be sold or transferred to another cemetery operator. Presumably, such a sale would also include the transfer of any trust funds/investments that generate interest earnings to pay for perpetual care.

BUDGET IMPLICATIONS

None. This is an Information Report only.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ATTACHMENTS

None.

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

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