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Halifax Regional Council
January 27, 2004

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

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

George McLellan, Chief Administrative Officer

DATE: January 20, 2004

SUBJECT: Corporate Donation Policy

ORIGIN

The Income Tax Act Section 110.1(1)(iv) and 118.1(1)(d) empower corporations and individuals respectively, to deduct donations made to municipalities from their taxable income. HRM currently has several programs in place to accept donations, and issues tax receipts as donations are received. HRM has established the necessary administrative processes to accept and account for donations, but to date has not developed a formal corporate policy regarding donations. The HRM Infrastructure Renewal Committee is seeking direction regarding the extent to which staff should take a proactive versus reactive approach to soliciting donations.

RECOMMENDATIONS

It is recommended:

- information on how to make donations to the various HRM programs be included in the HRM website; and information on how to make donations regarding specific parks and replacement of trees be included in future parks recovery updates to the public.
- staff develop a plan to provide information and advice to community groups interested in undertaking fundraising initiatives in support of initiatives, such as recovery from Hurricane Juan and improvements to HRM parks.
- a formal program to recognize and thank donors regarding Hurricane Juan be initiated by the end of January including a letter of thanks from the Mayor and HRM Council, and a commemorative bookmark.

BACKGROUND

HRM currently has several programs in place to accept bequests and donations. Many of these programs pre-date amalgamation, and are in-active to the extent that they are not promoted, and are not receiving new donations. The donations and bequests are treated as Operating Trusts, and activity in the accounts is reported to Council on a quarterly basis.

1) Parks Civic Support-General

This program, which is a carry forward from the former City of Halifax, provides individuals and organizations the opportunity to commemorate a person, place, or event, while at the same time improving the community's livability. Donations help fund projects such as new park benches, creative play structures, or preservation of existing natural features. Suggested donations referenced in the literature reference the cost of various items:

Tree Planting - \$250 - \$500

Park Benches - \$250- \$1,000

Playground Equipment - \$1,000 - \$10,000

Creative Play Structures - unlimited

Other targets for donations include flower beds, trails, decorative park lighting, sculpture, or even sports fields.

(2) Halifax Public Gardens Donate A Tree and Adopt A Tree

These programs, also brought forward from the former City of Halifax, were developed to encourage the continued tradition of citizen support and help maintain, identify and regenerate the fine display of trees in the Public Gardens. Donations for Donate a Tree include the cost of the tree, its planting and a plate listing the species and donor's special commemoration. The Adopt a Tree program helps offset the maintenance costs of the Garden's tree collection.

(3) City Hall Clock Project**(4) Chebucto Landing Clock Project**

The two accounts named above were set up in 1998 and 1999 respectively, and result from a number of donations made by the Halifax Foundation. These funds are to be used for the maintenance and upkeep of the two clocks as well as the Memorial bells.

(5) DeWolf Bedford Contribution

This account, created in fiscal 2001, results from a personal donation from Harry DeWolf towards the provision of a facility that is open to the public, located in and primarily for the benefit of the community of Bedford. To date, Council has approved two withdrawals from this fund, \$10,000 for the Bedford Youth Development Association and \$2,000 for the Bedford Legion Branch #95. On September 24, 2002 Council approved a \$50,000 loan from this account to the Rocky Lake Development Association. The terms of the repayment are 6% interest over a one-year period, with the provision that the repayment of interest can be forgiven by the DeWolf Family at a later time.

(6) Theodore Tugboat

In June 2002 Council approved the creation of a Theodore Tugboat Account to isolate donations from the public to save Theodore Tugboat. In May 2003 Council approved the funds currently in the account be transferred to the Halifax Tugboat Society and that they consider all fundraising possibilities in order to reach the goal of funding a business plan for options around Theodore Tugboat staying in Halifax Harbour. Signing authority for the account was given to Mr. Lew Rogers, Director of Tourism, Heritage and Culture. In June 2003 \$4,397 was paid to Recontre Marine Enterprises for a refit of the tugboat.

(7) Drake Athletic Field

The account created in November 2002 is the result of a donation from Loblaw Properties Limited (Atlantic Superstore). The intention of the fund is specifically for the development of this park site, which has been tentatively called the Drake Athletic Field.

(8) HRM Infrastructure Recovery Fund

On October 21, 2003 HRM Council approved the creation of the HRM Infrastructure Recovery Fund in response to generous offers of financial donations from the public in response to the damage caused to HRM parks and trees by Hurricane Juan on September 28th. As of January 5th, donations totalling \$621,240 have been received and recorded as follows:

Point Pleasant Park	\$245,780
Public Gardens	370,935 (Maritime Broadcasting Radiothon pledges received to date)
Miscellaneous	<u>4,525</u>
	<u>\$621,240</u>

To date, there have been no expenditures from the HRM Infrastructure Recovery Fund.

DISCUSSION

Currently, literature explaining and supporting these specific accounts is either non-existent or out of date, however last year Financial Services and Marketing created a generic brochure explaining the benefits of donating to HRM. A communications plan is being developed to update explanatory materials regarding these specific accounts and to create a donations link on the HRM website to post information on how the public can donate to various municipal activities or make bequests. Additionally, a plan is being developed for approval by the HRM Infrastructure Renewal Committee with respect to how we will formally recognize and thank donors who came forward in response to Hurricane Juan. It is hoped that this plan can be used as the basis for a corporate policy to recognize and thank any donors to HRM's various activities.

Renewal and recovery of parks and urban forest damaged by Hurricane Juan is on-going, and in any communications to the public updating them on the status of the recovery process, we will include the mailing address for the HRM Infrastructure Recovery Fund in the event that members of the public would like to donate.

BUDGET IMPLICATIONS

The cost of updating literature pertaining to the park related programs (rack cards) will be approximately \$2,500 and can be accommodated on a one time basis within the existing budget of the CAO office.

The cost of a program to formally recognize and thank donors regarding Hurricane Juan by a mailout including a letter of thanks and a bookmark to accompany the tax receipt, is estimated to be approximately \$2,500. This can be accommodated within the existing budget of the CAO office.

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.

ALTERNATIVES

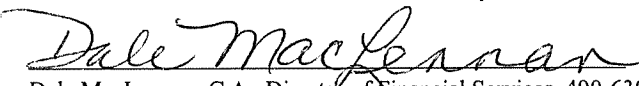
The alternative is to continue to respond on a reactive case by case basis to phone calls and inquiries of people interested in making donations or undertaking fundraising initiatives; and to forego a formalized thank you and communications process.

ATTACHMENTS

N/A

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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On behalf of the HRM Infrastructure Recovery Committee

Report Approved by: 
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