



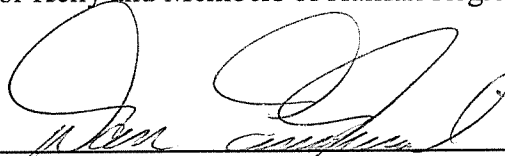
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**Halifax Regional Council**  
**March 20, 2007**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
\_\_\_\_\_  
Dan English, Chief Administrative Officer

  
\_\_\_\_\_  
Geri Kaiser, Deputy Chief Administrative Officer - Corporate Services  
and Strategy

**DATE:** March 2, 2007

**SUBJECT:** Halifax Harbour Champion Trust Fund

**ORIGIN**

Request of Deputy Mayor Sue Uteck to review the award of medals for the Halifax Harbour annual scull race and staff's subsequent review of the overall administration of this trust fund.

Request of the Audit Committee to review for the same issue.

**RECOMMENDATION**

It is recommended that Regional Council:

- 1) Consider all changes in administering the fund be dealt with as a go forward position.
- 2) Establish that the Trustees are the Mayor, the Clerk and the Chair of the Audit committee and have the Trustees proceed with the decisions required as per the discussion section of this report.

## **BACKGROUND**

On November 1, 1883 the late Dr. Charles Cogswell's estate initiated through Halifax Council an agreement to provide in perpetuity a medal and a dollar prize to the winner of the Halifax Harbour annual scull race.

The original minutes of this council meeting and accompanying copy of the original declaration of agreement was carefully scrutinized by staff and the following synopsis of the intent of the trust agreement is presented in the discussion section below.

## **DISCUSSION**

### **The Prize Monies**

- on Nov 1, 1883 Dr. Charles Cogswell's estate increased the fund of the day from the value of \$400 to \$1,000.
- He wanted it to bear interest at 5%.
- He wanted the prize to be \$40 per year or 80% of the interest earned of \$50.
- He wanted any balance after paying the prize to be put into an account to pay for the medals.
- Any balance remaining in the account after paying for medals shall be left to accumulate to \$100 (10% of the original principal) and then be transferred back to the main principal trust fund.
- The main \$1,000 trust fund shall be separate and be called the Halifax Harbour Champion Fund.
  
- If the fund increases then the annual prize may be increased at the discretion of the trustees.
- If at any time the annual income falls below \$50 the City will make up the difference so the sum of \$50 will be available to carry out the intent of the said trust.
- The Trustees will be the Mayor, the Recorder for the City (City Clerk) and the Chair of the Committee of Public Accounts (we suggest Chair of Audit Committee).

### **The Medals**

- The original belt was changed to a medal worn with a blue ribbon at the breast.
- The Champion of one year will receive a silver medal and if this champion wins subsequently will receive a silver clasp to be attached to the medal.
- The Champion of three years in succession shall receive a gold medal and can never compete again.
- All medals belong to the winners.

Charles Cogswell's estate presented the dies for the medals to the City of Halifax along with the additional \$600 to bring the fund to a total of \$1,000 at that time.

In 1997 Senior Finance and Legal staff met with representatives of the Nova Scotia Rowing Association and together they determined that the monetary prize from the fund would be 90% of the interest earned on the trust in one year and the balance would be returned to the fund.

Staff of the day seemed to think that responsibility for providing the medals had been transferred to the Rowing Association as a result of that meeting but the Association disagrees and there is no specific correspondence in the file to support that staff's position.

Each year a prize has been awarded and the amount in recent years ranges around \$300 or \$400.

There are a couple of issues with regard to the way in which the trust has been administered as far as our records can show which need to be addressed by the Trustees.

- A separate account has not been maintained for the medals

- For some reason it was decided that 90% of the interest earned on the fund would be paid out for a monetary prize and 10% returned to the fund but the original wording of the trust stated the split would be 80% and 20%.

- The remainder of the 20% of interest was to be used to pay for medals and this has not occurred in recent years. The medals have been paid for out of Deputy Mayor Uteck's discretionary funds.

- Only the trustees can make changes to the processes followed by the trust and staff do not believe that even the trustees can change the intent of the trust eg stop providing medals.

### **BUDGET IMPLICATIONS**

The current balance in the trust as at January 31, 2007 is \$12,032. Interest earned to that date is \$365 so interest is earned at approximately 3.5% per year.

The sustainability of the fund is dependent on the decisions of the Trustees with regard to the cash award and the nature of the medals to be awarded.

All funding for the prizes and medals will be provided from within existing trust fund balances and within existing operating budgets. Staff resources to implement the changes will be provided for within existing operating budgets.

### **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.

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**ALTERNATIVES**

Council could instruct staff to research and go back in time to attempt to find where any change to the approach that the trust took may have compromised the medal fund or over (or under) compensated winners for the prize money or caused any other type of effect to the fund's intent.

This is not recommended as the staff time to undertake this could be onerous and the outcomes identified could be disruptive to past winners. Medals have been provided, in any case, to the winners of past years via Councillor's Funds and monetary prizes have almost certainly always been in excess of \$40.

**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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