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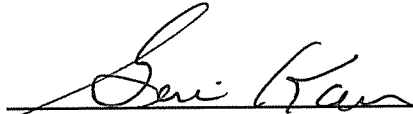


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**Halifax Regional Council  
Committee of the Whole  
May 29, 2007**

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

**SUBMITTED BY:**

  
\_\_\_\_\_  
Geri Kaiser, Deputy Chief Administrative Officer

  
\_\_\_\_\_  
Cathie O'Toole, CGA - A/Director of Finance

**DATE:** May 29, 2007

**SUBJECT:** Building Communities Fund

### **SUPPLEMENTARY REPORT**

#### **ORIGIN**

- February 28, 2006 motion from Halifax Regional Council that staff provide a report outlining specific options for funding support to community initiatives
- May 8, 2007 Committee of the Whole discussion

#### **BACKGROUND**

The May 8, 2007 staff report to Regional Council recommended that HRM Council approve the merger of Councillors' discretionary funding programs into one *HRM Building Communities Fund*, effective April 1, 2007, as per the policy and procedures included in the May 8<sup>th</sup> report to Council.

During Committee of the Whole debate on May 8<sup>th</sup>, questions were asked which require additional clarification, particularly with respect to the differences and similarities between the status quo and the changes proposed and this is the purpose of the Supplementary Report.

<b>Proposed Changes to Councillors' Funds: Comparison of Policies/Funds</b>		
	<b>Current Policy</b>	<b>Proposed Policy</b>
<b>1. BUILDING COMMUNITIES FUND</b>		
<b>Policy to guide spending?</b>	No, however MGA Section 65 applies.	Yes, must meet a municipal mandate and MGA Section 65 applies.
<b>Guidelines for spending?</b>	Parks and playgrounds may be re-allocated to another project.	HRM-owned assets, community-owned assets; may be re-allocated to another project(s) during the fiscal year.
<b>Spending limit.</b>	Maximum \$25,000 per Councillor.	Up to full amount of the Fund per Councillor ie. \$68,000.
<b>Capital criteria.</b>	Must be spent on HRM-owned asset and meet the criteria for the new Tangible Capital Asset Policy.	Need not meet the definition of capital; funds may be spent as a "top up" for HRM projects or spent on non-HRM assets.
<b>Allow to carry forward funds at fiscal year end?</b>	Yes provided there is a commitment to a specific project; funds can be re-allocated to another project if not expended on the initial project.	Yes provided there is a commitment to an HRM capital project or a written commitment to a community project. If not expended on the initial project or committed funds revert to 'capital from operating' pool and reallocated to another capital project.
<b>2. DISTRICT CAPITAL FUND</b>		
<b>Policy to guide spending?</b>	Yes must meet guidelines under MGA.	Yes, must meet municipal mandate.
<b>Guidelines for spending?</b>	HRM-owned assets; may be re-allocated to another HRM project(s) during the fiscal year.	HRM-owned assets, community-owned assets; may be re-allocated to another project during the fiscal year.
<b>Spending limit.</b>	Maximum of \$40,000 per Councillor.	Up to full amount of the Fund per Councillor ie. \$68,000.
<b>Capital criteria.</b>	Must be spent on HRM-owned asset and meet criteria for Tangible Capital Asset Policy.	Need not meet the definition of capital; funds may be spent as a "top up" for HRM projects or spent on non-HRM assets.
	<b>Current</b>	<b>Proposed Combined Fund</b>

<b>Capital criteria.</b>	Must be spent on HRM-owned asset and meet criteria for Tangible Capital Asset Policy.	Need not meet the definition of capital; funds may be spent as a “top up” for HRM projects or spent on non-HRM assets.
	<b>Current</b>	<b>Proposed Combined Fund</b>
<b>Allow to carry forward funds at fiscal year end?</b>	Yes, provided there is a commitment to a specific project; funds can be re-allocated to another project if not expended on the initial project.	Yes provided there is a commitment to an HRM capital project or a written commitment to a community project. If not expended on the initial project or committed funds revert to ‘capital from operating’ pool and reallocated to another capital project.
<b>3. DISTRICT ACTIVITY FUND</b>		
<b>Policy to guide spending?</b>	Yes	Yes, must meet municipal mandate.
<b>Guidelines for spending?</b>	Support of local fund-raising, charitable and non-profit initiatives, eg. special event, amateur sports team or competition.	Donations (<\$500) and grants (>\$500) to eligible non-profit organizations and charities.
<b>Spending limit.</b>	Maximum \$3,000 per Councillor.	Maximum up to 10% of the combined value of the Fund, ie. \$6,800.
<b>Capital criteria.</b>	Yes	No
<b>Allow to carry forward funds at fiscal year end?</b>	No	No

The existing District Activity Funds Policy, and District Capital Funds Policy are attached (Attachments 1 and 2). Also attached, is Section 65 of the Municipal Government Act (MGA) which defines what municipalities may expend money on.

There is no documented policy around the existing *Building Communities Fund*. The only description is contained within the Capital Budget Book, which indicates the objective is to address district need for additional parks/playground and recreation centre projects. The description also indicates that funds will be pro-rated to the various Community Councils based on the number of Councillors and indicates that project priorities will be determined by the respective Community Councils in consultation with staff. The proposed policy changes will not prevent Councillors from pooling funds, or preclude discussion, cooperation and approval at the Community Council level. Not all Community Councils were electing to pool their funds and pursue joint projects. In some areas of the municipality, geography and the nature of the potential projects

reduce the opportunity to pursue joint projects at the Community Council level.

## **DISCUSSION**

In response to questions and comments from Council, the following clarification or changes to the proposed *Building Communities Fund* Policy and Procedures are presented below. (Numerical references refer to sections of the draft Building Communities Policies and Procedures).

**Regional Sensitivity** - A major change in the proposed *HRM Building Communities Fund* policy is the eligibility of community-owned assets that are presently not eligible under the current District Discretionary Capital and Building Communities Fund. This proposed change is meant to recognize that some geographic communities and/or districts do not have the same level of municipal facilities funded under the general tax rate and rely more heavily upon outdoor and indoor amenities owned and operated by local community groups or public schools.

**2. Statement of Intent** - A question was raised regarding what falls within municipal mandate. Bullet three in the Statement of Intent currently reads "Contributions made under the auspices of the *HRM Building Communities Fund* are intended for projects that fall within the municipality's mandate in program and service delivery. Funds are not intended to replace federal or provincial funding or to assume responsibilities in areas such as but not limited to health care, social services, justice, employment, the Armed Forces, or international aid." To add clarity, a qualifier defining "HRM mandate" in direct program and service delivery could be added. Additionally, the municipal mandate can also be defined by a reference to the MGA Section 65, where it lists the types of expenditures the municipality may make.

**Schools** - A question was posed whether HRM can fund requests from schools. Requests from schools (both public and private) shall be considered on an individual basis so as to avoid duplication of funding with HRM's mandatory and supplementary funding to schools. For example, maintenance, repairs or enhancements to the school building would not be funded (eg. structural, mechanical, electrical, heating and ventilation etc) whereas school playgrounds, sports fields, and equipment that is made available to the general public for activities that fall within HRM service delivery would be permissible (eg. goalposts, scoreboard, playground apparatus, signage, flag pole, outdoor furnishings etc).

**RCMP** - A question was posed whether HRM can fund requests from the RCMP. Requests from RCMP shall be considered on an individual basis so as to confirm that the expense is not already included under the Provincial Policing Services Agreement so as to avoid paying for the same service or equipment twice. For example, administration, communications, office rental and equipment may already be included in the current contract.

A donation or grant may be made 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. The aim of the Fund is to realize a benefit to the general public; it is therefore expected that the public have reasonable access to the facility, service or program at no cost or for a nominal fee. Further, it is expected that recipients of grants or donations paid from the general tax rate shall originate and be located within the geographic boundary of HRM.

Groups/organizations that provide a service that would otherwise be a municipal responsibility and the

geographic area or number of participants is too small to warrant direct service delivery by HRM, or the socioeconomic or ethnocultural composition of the target population lends itself to local service delivery and through a “community of interest” and the facility, amenity, program or service and make sufficient and appropriate provision for the general public to derive direct benefit are eligible for donations or grants. For clarity, the term “sufficient and appropriate provision for the general public to derive direct benefit” means that non-members will experience a tangible benefit from any investment of public funding, not simply club or association members, students, staff. Also, the value of grant received from HRM is comparable to the benefits provided to the general public. The following are some examples of accessibility and benefit:

- ▶ access for non-members;
- ▶ access for low income persons;
- ▶ facility or amenity not otherwise available in the community;
- ▶ hosting venue for regional, national or international events;
- ▶ registered heritage property;
- ▶ stewardship of a natural resource such as coastal, lakefront, river, wetland or woodland location;
- ▶ affordable facility rental rates, discounts, or free public use.

**3. Allocation of Funds** - In response to comments from Council, the following changes would be made to the draft policy and procedures for the *HRM Building Communities Fund*.

3.1 Remove up to 75% limit and replace with no more than 10% of the annual allocation may be spent on donations <\$500.

3.3 Replace 30 days of Council’s approval of the annual operating and capital budget to read “...within the first quarter of the fiscal year”. A 30 day identification is requested (not required) in circumstances where the nature of a project is significant or complex in scope and needs to be tendered early in the fiscal year to allow sufficient staff time to manage the bidding process and for the work to be completed in a timely and cost-effective manner. Where there is an expectation by Council that a particular project will be tendered early in the year, it would be important to get the project identified as quickly as possible following approval of the budget. Additionally, the earlier in the year projects are identified, the more time this allows to consider other financial impacts projects may have on HRM’s annual operating budget. For example, a new park adds costs such as grass-cutting, garbage pick-up, outdoor furniture repairs, etc.

#### **4. Approved Purposes**

##### **4.2 Grants to leased properties.**

A term of five years could eliminate a start up group from consideration. The draft policy is worded such that the term of a lease should minimally be 5 years. A short-term month-to-month or one year does not provide an assurance of a return on investment of public money. A possible solution is to adjust for grants over a specific amount and not include small donations. For example, any grant of \$10,000 or more needs a 5 year term.

*What about a situation where the owner is private or government such as a trail?*

“Notwithstanding that it is not the Fund’s intentions to increase the value of a privately owned asset or the property value of a provincial or federal government property, there may be circumstances where a leased property is the only feasible option in service delivery. Such circumstances include a public trail over lands owned by several parties, a community museum operated from a leased building, a public wharf or boat launch. In such circumstances the principles of “appropriate and sufficient tangible direct benefit to the general public” shall be used to assess eligibility. See: Statement of Intent 2.

**Double dipping** - Several questions arose around the concept of “double dipping” and whether organizations receiving funding from another HRM program would be eligible for a grant through the *HRM Building Communities Fund*. The aim of the proposed policy is to prevent an organization applying to more than one municipal grant/donations program for the same project/item. However, a donation or grant could be made to augment or “top up” a specific project that receives funding from another program. For example, a request for \$20,000 receives a grant of \$15,000 and the *HRM Building Communities Fund* provides the balance of \$5,000.

**Carry Forward of Funds** - For clarity, a commitment to a community-owned capital asset can be carried forward provided that a commitment to funding has been made in writing but not distributed within the current fiscal year end. In most cases, however, grants to non-profit groups are relatively small and are issued in the form of a cheque. In circumstances where HRM’s contribution is based on a cost-share/fundraising commitment by a non-profit group payment may be withheld, or paid in installments, based upon successful completion of the fundraising campaign.

**Debt to HRM:** Staff recommend that a recipient of any form of donation or grant should be screened for debt to HRM and either (a) disqualified or (b) subject to compliance with a signed debt repayment plan.

*What if the project is very large scale, for example, \$600,000 in total?*

There is no upper limit to the size of project that a Councillor can choose to contribute funding toward. The only funding limitation is the annual balance available (including accrued) within the district allocation of the *HRM Building Communities Fund*.

**Alternative** - An alternative to a complete merger of all three funds has been proposed. Namely, to merge only the two capital programs and leave the District Activity Fund as is.

## **BUDGET IMPLICATIONS**

There are no budget implications at this time. The total combined Capital and Operating budget allocation of \$1,564,000 remains un-changed by the proposed revisions to Councillors’ funds.

**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**

- Attachment 1 - Existing District Activity Funds Policy
- Attachment 2 - Existing District Capital Funds Policy
- Attachment 3 - MGA Section 65

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.

Report Prepared by: Anna Marchand, CMA - Manager of Accounting  
Peta-Jane Temple, Coordinator of Grants Program

Report Approved by:   
Cathie O'Toole, CGA - A/Director of Finance

**HALIFAX REGIONAL MUNICIPALITY**

**Discretionary Funds**



**Discretionary Funds (also referred to as District Activity Funds)**

These funds are used to pay for items of a municipal nature that benefit the area in which the expenditure was made. The aim of this funds is to provide a simple, effective method of providing small grants to community groups and special events. Typically, such requests are received directly by Councillors for modest amounts in support of local fund-raising campaigns, charitable and non-profit initiatives, a special event or an amateur sports team or competition.

Councillors often receive requests for help from local community groups that are either ineligible, too small or time-sensitive to be handled in an effective manner by the larger Community Grants Program administered under the HRM Grants Program. The discretionary funds allows the flexibility required to address such local requests.

Policy and procedures related to these funds are included here for your reference.

Contacts in the Grants Program are:

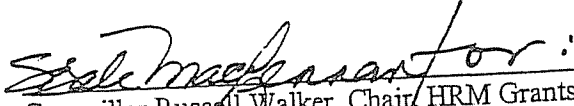
Peta- Jane Temple, Regional Coordinator, Grants	Phone 490- 5469
Lynn Morash, Program Technician, Grants	Phone 490- 5454

Contact in Accounting is:

Mary Edwards, Accountant

Phone 490-6352

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:   
Councillor Russell Walker, Chair, HRM Grants Committee

DATE: November 18, 2002

SUBJECT: Councillors' District Activity Fund: Policy and Procedures - Revisions

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**ORIGIN**

At the Regional Council meeting of December 12, 2002, policy and procedures were approved to guide expenditures issued under the Councillors' District Activity Fund. In accordance with Section 8, Continuous Renewal Clause, the policy and procedures were to be reviewed after one year to assess scope, relevance, and effectiveness. The policy and procedures require amendments to reflect the transfer of the Grants Program portfolio from the Office of the Deputy Chief Administrative Officer to HRM Financial Services, which took effect August 2002.

**RECOMMENDATION**

It is recommended that Regional Council:

1. Approve the revised Councillors' District Activity Fund: Policy and Procedures as detailed in Attachment 1 of this report;
2. Approve implementation of the revised Policy and Procedures effective April 1st, 2003.

## BACKGROUND

The Councillors' District Activity Fund is managed under the HRM Grants Program portfolio, Financial Services, and administered by staff of the Councillors' Support Office, Administrative Services. The Fund provides modest cash grants to community groups, most of which would either be ineligible for the HRM *Community Grants Program* or too small to be well-served by the program's decision-making process and time-frame.

The Policy and Procedures for this program are intended to guide Regional Council and staff on types of eligible expense, record-keeping, and reporting. In accordance with the Municipal Government Act (1998) these policies and procedures should be reviewed every three (3) years. See: **Attachment 1**.

## DISCUSSION

### *1. Scope, relevance, and effectiveness of current Policy and Procedures.*

Since their inception, the Policy and Procedures improved understanding of the purpose of such grants and have eliminated the issue of payment to individuals (Item 3.2). In the past, such payments were occasionally issued on compassionate grounds to assist persons in crisis: these funds are now issued through recognized charitable organizations who can also provide appropriate referrals to social service agencies or local support services.

In general, record-keeping has improved but Grants Program staff have recommended a modification to the regular cheque requisition form to identify the purpose of the donation, not simply the recipient organization. This information is used for reporting in the *HRM Grants Program Annual Report*. A schedule of codes has been circulated to staff of Financial Services, the Councillors' Support Office, and Grants Program to provide consistency and clarity. The listing of codes is included in **Attachment 2** of this report.

Overall, the Policy and Procedures have resulted in improved and timely reporting to the Grants Program and are deemed sufficient and effective. The only exception to this finding is the solicitation of funds by HRM departmental staff or contractual parties. A copy of this report has been circulated to Directors of HRM departments and the applicable contractual parties for information.

### *2. Housekeeping Revisions.*

The following changes are recommended:

#### 1. Policy, Item 6.9.

"Authority for the inter-departmental transfer of funds from the Grants Program to the Councillors' Support Office is that of the [Office of the Deputy CAO] or his/her delegate".

Replace "Office of the Deputy CAO" with Director, HRM Financial Services..

2. Policy, Item 8.1.

"This policy shall be assessed after one (1) year of implementation to evaluate its scope, relevance, and effectiveness. Thereafter, the policy shall be reviewed every [two (2) years] or upon request to reflect substantive changes in legislation or municipal policy and priorities".

Replace "....every two(2) years" with every three (3) years.

3. Procedures, add the following two clauses:

Item 2.7 Requests concerning expenditures from the Fund should be fulfilled within five (5) working days. Staff shall inform the party requesting information regarding the Fund, or a specific district, that the applicable Councillor(s) shall be notified of the request.

Item 2.8. Staff are required to inform a Councillor, or Councillors, of requests for information in a timely manner and to supply a copy of the information to be released prior to public disclosure.

The addition of these two clauses is intended to make clear to staff and the general public that information is available and accessible but that the respective Councillor is advised as a matter of courtesy.

4. Section 5. Restrictions on Expenditures During a Municipal Election Campaign, add reference to the "HRM Discretionary Spending During Municipal, Provincial or Federal Elections: Policy and Procedures" (2003).

The new guidelines provide comprehensive assistance to candidates, incumbents, and staff with respect to discretionary spending during an election or by-election and supercede the "Councillors District Activity Fund: Policy and Procedures" (2000).

### BUDGET IMPLICATIONS

None. The Councillors' District Activity Fund budget allocation remains un-changed for 2003-04.

### 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 other relevant legislation.

The applicable legislation is the Municipal Government Act (1998), and the Councillors' District Activity Fund: Policy and Procedures (2000).

ALTERNATIVES

None recommended. The proposed amendments reflect only a change in the departmental location of the Grants Program portfolio and to incorporate the MGA requirements.

ATTACHMENTS

1. Councillors' District Activity Fund: Policy and Procedures. (Revisions shown in bold type).
2. List of Codes for Donation by Type of Activity, October, 2002. (Revisions shown in bold type).

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

Report Prepared By: Peta-Jane Temple, Coordinator, Grants Program

Approved By:

Bruce Fisher, Manager, Financial Planning 490-4493

## **Councillor's District Activity Fund: Policy and Procedures**

### **Origin**

The Councillors' District Activity Fund provides financial resources to the Councillor of each electoral district in Halifax Regional Municipality. The aim of this fund is to provide a simple, effective method of providing small grants to community groups and special events. Typically, such requests are received directly by Councillors for modest amounts in support of local fund-raising campaigns, charitable and non-profit initiatives, a special event, or an amateur sports team or competition.

### **Background**

Councillors often receive requests for help from local community groups that are either ineligible, too small or time sensitive to be handled in an effective manner by the larger *Community Grants Program* administered under the *HRM Grants Program*. Flexibility is required to address such local requests. Therefore, an amount is allocated in each year's budget for the *Councillors District Activity Fund*: a specified amount is allocated to each Councillor for use *in their district*.

Members of Council are assisted in the record-keeping of fund expenditures by staff of the Councillors' Support Office. At the end of each fiscal year financial records for the disbursement of funds are forwarded to staff of the *HRM Grants Program* for accounting, budgeting, and public reporting.

The following guidelines are intended to assist members of Regional Council and staff in the appropriate expenditure, record-keeping and reporting of expenses. This information may also be of help in the orientation of new Council members or staff, or in response to residents who have specific questions regarding municipal government expenditures.

### **Discussion**

The following policy and procedures outline how discretionary expenditures from the Councillors' District Activity Fund may be used, record keeping and reporting requirements. The policy also contains guidance on the roles and responsibilities of HRM staff in the Councillors' Support Office, Financial Services and the HRM Grants Program.

# HRM Councillors District Activity Fund: Policy and Procedures

## A. POLICY

### 1. Context

The Municipal Government Act (1998) provides the broad framework within which policies authorizing the expenditure of public monies are developed. According to the Act, the Municipality may award a grant or make a contribution to a duly registered non-profit organization, charity, society, club, association, or exhibition.

In general, contributions made under the Councillors' District Activity Fund focus on local activities related to recreation, social welfare, culture, charitable fund-raising by a recognized institution or duly registered community group, community and civic events, an amateur sports club or sports event, environmental protection or a community beautification project, and community-based educational initiatives.

- 1.1 Contributions made under the Councillors' District Activity Fund are not intended to supplement HRM departmental budgets in program and service delivery.
- 1.2 Contributions made under the Councillors' District Activity Fund are not intended to subsidize the operations of an HRM Standing Committee or a Committee of Council.
- 1.3 Contributions made under the Councillors' District Activity Fund are not intended to compensate or supplement federal or provincial responsibilities in health care, social services, justice or employment.

### 2. Statement of Intent

The Councillors' District Activity Fund Policy, is intended to guide expenditures in accordance with the Terms of Reference for the Grants Program, HRM Finance Policy, and legislation regarding spending during government elections.

### 3. Approved Purposes

- 3.1 The Municipal Government Act (1998), Part IV Finance, Section 65, Item (au) states that the Municipality may make a grant or contribution to:
  - (i) a society within the meaning of the *Children and Family Services Act*,
  - (ii) a mental health clinic in receipt of financial assistance from the Province,
  - (iii) an exhibition held by an educational institution in the Municipality,
  - (iv) a club, association or exhibition within the meaning of the *Agricultural and Marketing Act*,

(v) any charitable, nursing, medical, athletic, educational, environmental, cultural or social organization within the Province,

(vi) a registered Canadian charitable organization,

but the total of the grants so paid in a fiscal year shall not exceed one per cent of the taxes for general municipal purposes levied by the Municipality for that year;

*Interpretation:* grants may not be awarded to commercial or private enterprises; grants may not be awarded to individual persons or families; the total value of grants awarded by the Halifax Regional Municipality in any given fiscal year cannot exceed 1% of the property tax assessment<sup>1</sup>.

3.2 Funds may be expended in support of a duly convened Community Council. Such funds may be combined with other HRM polling districts for collaborative use by several Community Councils for municipal purposes as outlined in Section 65 of the Municipal Government Act.

*Rationale:* by sharing the costs and pooling resources Community Councils can organize an event or program on a scale to serve residents of several communities.

Such funds may be used for constituency surveys, needs assessment surveys, asset-mapping exercises, public opinion surveys, strategic planning, feasibility studies, and public consultations regarding a municipal government service.

3.3 Donations may be made to established, registered charities

3.4 A donation to a registered charitable organization or event shall be recognized with a receipt. Individual members of Council shall receive no personal tax benefit. All receipts for such donations are to be submitted to HRM.

3.5 Emergency assistance to an individual constituent or family is not permissible

*Rationale:* Where possible, assistance for social welfare needs should be handled by an institution. Referring personal requests to an independent agency or group within the local community helps in situations when (a) the demand for help exceeds funds available and a judgement must be made as to who can receive assistance, and (b) there is a risk of alleged undue process or conflict of interest.

Individual beneficiaries are not recognized under the Municipal Government Act, Section 65. Members of Council who wish to assist cases of individual or family need must do so through a recognized third party (a church, registered charity, or local social agency).

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<sup>1</sup>Includes all forms of grants awarded across all HRM departments, programs and special projects.



- 3.6 Donations to a local public school Parent-Teacher Association are permissible<sup>2</sup>.

Such donations may include subsidizing school trips or extra-curricular activities for socially disadvantaged students, Safe Grad committees, assistance for school teams (sports, science, drama, music, arts, etc), citizenship or recognition awards, programs which promote social inclusion and personal safety (for example, the League of Peaceful Schools, anti-bullying, anti-violence, anti-racism), public consultations, and minor equipment purchases (such as enhanced school playground or garden provision, safety etc).

The intent of such donations is to demonstrate support for important educational and social principles, citizenship, and community pride. Assistance to school activities is intended to promote inclusion and to enhance cultural activities for children and youth.

Assistance for the enhancement of school grounds recognizes that in some communities a school property may be the principle facility for community social, athletic or cultural activities. Some schools act as the equivalent of a social centre or recreational facility where no private or municipal facilities exist.

- 3.7 Donations to a local recreational, athletic, environmental, cultural, arts, or heritage group are permissible<sup>3</sup>.
- 3.8 Recipients of public funds administered through Halifax Regional Municipality are expected to uphold the Charter of Human Rights and participation should be open to all citizens without undue discrimination.

#### 4. Restrictions on Type of Expenditure

- 4.1 No HRM department, program, committee, or representative shall solicit a member of Council for District Activity Funds for any HRM program, project or service.

Examples include the purchase or donation of equipment, supplies, service fees, or honoraria. Any such solicitation should be reported to the Grants Committee.

Staff are expected to relay information to members of Council regarding community issues and requests. Such information should be relayed in the form of a written memorandum.

Staff are not expected to encourage individuals or groups in lobbying members of Council.

- 4.2 District Activity Funds are not intended for use in fund-raising activities that are of direct or indirect benefit to an HRM department, program, project, service, or individual.

Examples of such exclusions include calendar sales, funds for staff competitions, cadet corps, benefit events, conferences, scholarships, team uniforms, social events, awards, or sports events.

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<sup>2</sup>Municipal Government Act (1998), Section 65, Item (au), (v).

<sup>3</sup>Municipal Government Act (1998), Section 65, Item (au), (v).

## 5. Restrictions on Expenditures During a Municipal Election Campaign

- 5.1 Councillors' District Activity Fund expenditures shall be suspended during a municipal election campaign; the date of cessation of spending shall be set as the official date for the closure of candidacy as per the HRM Discretionary Spending During Municipal, Provincial or Federal Elections: Policy and Procedures (2003). This date is in accordance with Provincial and Federal election regulations.

*Rationale:* The intent of this restriction on spending during an election campaign is to avoid allegations of irregular election spending among candidates.

- 5.2 No monies from the Councillors' District Activity Fund may be spent on an incumbent's election related costs.

Such expenditures are not deemed to qualify as a municipal purpose.

- 5.3 In the event of an incumbent's acclamation to Regional Council access to their District Activity Fund account shall not be suspended.

## 6. Record-Keeping Requirements

- 6.1 Receipts shall be required for all expenditures.

- 6.2 If a Councillor uses a personal credit card, cash, or a personal cheque to pre-pay an expense on behalf of a District Fund applicant an invoice and/or receipt and the name of the beneficiary should be submitted for reimbursement.

Approval must be in place to ensure reimbursement.

- 6.3 The fiscal year starts April 1<sup>st</sup> and ends March 31<sup>st</sup> of the following year. No expenses shall be claimed or reimbursed after the fiscal year cut off of March 31<sup>st</sup>.

There shall be no over-expenditures from the Councillors' District Activity Fund.

- 6.4 There is no accrual of funds. Any monies not expended and accounted for in any year (by March 31<sup>st</sup>) shall not be carried forward to the next fiscal year.

- 6.5 Council members and staff are responsible for making a clear determination if an expenditure is permissible and shall be expected to issue funds in accordance with the appropriate HRM financial policies. Assistance is available from staff of Financial Services and the Grants Program.

- 6.6 The authority and responsibility for the administration of the Councillors' District Activity Fund is that of the Grants Committee.

- 6.7 The authority and responsibility for the determination of a permissible expense is that of HRM Financial Services.

Staff of the Grants Program and the Councillors Support Office are expected to obtain guidance

in decision- making from the HRM Director of Financial Services or his/her designate.

- 6.8 Any dispute regarding the appropriate expenditure of funds shall be mediated by members of the Grants Committee. This committee comprises representation from Regional Council, the public, and HRM staff.

If a dispute regarding the Councillors' District Activity Fund is to be debated by the Grants Committee such proceedings shall be held "In Camera" for the purpose of protecting the privacy of individual recipients.

- 6.9 Authority for the inter-departmental transfer of funds from the Grants Program to the Councillors' Support Office is that of the Director, HRM Financial Services or his/her designate.

- 6.10 A review of accounts may be conducted at the discretion of the Grants Committee or as requested by HRM Financial Services and included in the annual HRM audit.

## 7. Reporting Requirements

- 7.1 An annual reporting of itemized expenditures by electoral district shall be the responsibility of the Grants Program.

- 7.2 The annual list of expenditures shall be made available to elected officials, HRM staff, and members of the general public.

- 7.3 The *Grants Program Annual Report* shall include an itemized list of expenditures for the Councillors' District Activity Fund. Access to this information may also be made available by electronic means such as the HRM Web Site.

## 8. Continuous Renewal Clause

- 8.1 This policy shall be assessed after one (1) year of implementation to evaluate its scope, relevance, and effectiveness. Thereafter, the policy shall be reviewed every **three (3) years** or upon request to reflect substantive changes in legislation of municipal policy and priorities.

- 8.2 Responsibility for policy review and revision shall be that of the HRM Grants Program.

- 8.3 Recommended changes to policy shall be forwarded to Regional Council by the Grants Committee for approval.

## B. Procedures

### 1. Roles and Responsibilities

#### *Grants Program:*

The Grants Program, through a standing Committee of Council (the Grants Committee) shall seek the approval of Council for the Fund's annual budget through the regular HRM business planning and budget process. Staff of the Grants Program are responsible for maintaining policy and procedures for the Fund, shall publish a listing of disbursements from the Fund in the *Grants Program Annual Report*, and shall respond to staff or public inquiries.

#### *Financial Services:*

Staff of HRM Financial Services shall be responsible for processing the payment of awards, monitoring appropriate expenses, the maintenance of financial records including all original receipts, invoices, and cheque requisitions, the compilation of a list of annual expenditures by electoral district for inclusion in the *Grants Program Annual Report*, and shall oversee the auditing of accounts as required.

#### *Councillors Support Office:*

Staff of the Councillors' Support Office shall be responsible for the orientation of new members of Council and HRM staff, shall provide direct assistance to members of Council in completing payment requisitions, and shall maintain records of expenditures for members of Council.

*Note:* the original invoices and receipts are sent to Financial Services. The files maintained by the Councillors' Support Office are duplicates and only provide for convenient access to information.

### 2. Procedures

- 2.1 Cheque requests for payment of an invoice, reimbursement of an out-of-pocket pre-payment by a Councillor, or a grant to a community organization are completed by staff of the Councillors' Support Office and sent to Financial Services

*Note:* pre-paid expenses which do not conform to the guidelines for eligible expenses may be declined reimbursement.

- 2.2 Cheque requisitions should include the appropriate documentation ie. An invoice, or a receipt for pre-payment (sales slip, credit card slip, letter, invoice). The originals are to be attached to the cheque requisition and are retained in the files held by Financial Services. Photocopies of these forms should be made by staff of the Councillors' Support Office and filed for reference.
- 2.3 Any tax receipt issued by community non-profit groups and charities for donations made using public funds should be submitted to HRM. These receipts are to be forwarded to Financial Services by the Councillors' Support Office.

- 2.4 At the end of each fiscal year as part of the regular reporting process for HRM, Financial Services prepares a list of expenditures by polling district. One copy of this listing is to be sent to the Grants Committee and one copy is to be sent to the Councillors' Support Office.

Staff of the Councillors' Support Office are responsible for circulating this information report to all members of Council. This information will assist individual Councillors' in tracking their discretionary expenditures.

- 2.5 Staff of the Grants Program are responsible for making this information available to the public through the *Grants Program Annual Report*. The information may also be posted on the HRM Web Site.

- 2.6 The Councillors' District Activity Fund will be included in the annual audit and requests for a more detailed review will be evaluated by the HRM Revenue and Process Audit group. Such an audit shall check for complete and appropriate documentation, compliance with policy, the fair and consistent application of policy, accurate reporting, and other issues determined relevant by the audit team.

- 2.7 Requests concerning expenditures from the Fund should be fulfilled within five (5) working days. Staff shall inform the party requesting information regarding the Fund, or a specific district, that the applicable Councillor(s) shall be notified of the request.

- 2.8 Staff are required to inform a Councillor, or Councillor(s), of requests for information in a timely manner and to supply a copy of the information to be released prior to public disclosure.

Approved: December 2002  
Revised: April 2003

Attachment 2

Attachment 2. List of Codes for Councillors' District Activity Fund Donation by Type of Activity		
Code Number	Category	Description (Examples of group or activity)
1	Sport and Recreation	Amateur sports teams, local sports clubs, community-owned recreation facilities, trails, community sport or recreation programs for children and youth.
2	School	Primary, junior high, high school, college or university. Student trips, PTA, band equipment, fairs, special events, fund-raising projects, concerts, graduations, student awards.
3	Social	Emergency assistance through food, clothing or furniture bank, community feeding program, day care, parent resource centre, emergency shelter or hostel, non-profit fund-raising campaign.
4	Youth	Local youth groups such as Boys & Girls Club, 4H, Boy Scouts, Girl Guides, Big Brothers and Big Sisters, local youth centre, youth program, youth conference.
5	Church	The term 'church' includes "place of worship", religious and faith groups, congregational activities, church camp site or facility.
6	Seniors	Seniors social activities, seniors facilities, organizations, events and conference hosting.
7	Heritage	'Heritage' includes historical attractions, interpretation centres, heritage organizations, historical societies, community-owned heritage property, publications, promotional materials, conference hosting, fund-raising campaigns. <b>Excludes privately-owned heritage property.</b>
8	Events	Local community or neighbourhood celebrations or anniversaries, town crier, float, pins and flags, promotional items.
9	Health	A fund-raising campaign or event organized by a recognized non-profit health organization, hospital, clinic, event.
10	Public Safety	Local community or neighbourhood initiatives such as Neighbourhood Watch, volunteer rescue, ski patrol, animal rescue. <b>Excludes HRM Police Services, RCMP, HRM Fire Services, EMO programs and services funded under contract or eligible through a departmental budget.</b>
11	Environment	Community Clean-Up, anti-Litter campaign, tree planting, community garden, streetscape beautification, gardening groups, environmental education, events, land conservation, wildlife protection.
12	Arts	Arts organization, fund-raising campaign, event, community program, exhibition, community-owned arts facility.
13	Other	Local residents' association, tenants group, advocacy organization, homeowners association, service clubs.
14	Misc.	Requires confirmation of eligibility from Grants Program staff.

**HALIFAX REGIONAL MUNICIPALITY**

**District Capital Funds**

## **District Capital Funds**

The district capital funds are used to purchase, build or develop capital structures that are of a municipal nature that benefit the district in which the expenditure was made.

The HRM policy regarding District Capital Funds was approved by Council in May 2000 and is outlined as follows:

*District capital funds can only be used for the provision of services within the municipal mandate as defined in the Municipal Government Act.*

*District capital funds can only be used for capital expenditures. Capital expenditures must meet the following criteria:*

- *are held for use in the provision of services, for administrative purposes, for production of goods or for the maintenance, repair, development or construction of other capital assets;*
- *have been acquired, constructed or developed with the intention of being used on a continuing basis;*
- *are not intended for sale in the ordinary course of operations.*

*District capital expenditures will comply with the capital spending policy in the Multi Year Financial Strategy.*

*Expenditures must be made in accordance with the Procurement Policy approved by Council.*

*An information report detailing the district capital expenditures will be provided to Council on a quarterly basis.*

*District capital funds will not carry forward from year to year unless committed for a specific purpose.*

Requests for expenditures from District Capital Funds should be forwarded to Beatrice Chuang in the Capital and Disbursements section of Financial Services (Phone 490-6380) where they will be reviewed for compliance with policy, then approved and processed for payment. The Councillors Support Office can assist with the request form for expenditures.



**HALIFAX REGIONAL MUNICIPALITY**

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**Municipal Government Act, Section 65**

The attached excerpt from Section 65 of the Municipal Government Act, lists items that municipalities may expend money on. The power to spend money is limited to the items on this list which includes primarily local services where the benefits accrue exclusively or primarily to residents of the region or local area in which they are provided. The benefits do not significantly affect residents of other areas or of the remainder of the province, either in the short term or in the long term.

The list includes such local services as:

- streets
- sidewalks
- street lighting
- street cleaning
- snow removal
- sewerage
- water supply
- police and fire protection
- garbage collection and disposal
- transit
- safety inspection
- recreational and cultural services

## FINANCE

### Power to expend money

65 The council may expend money required by the municipality  
for

- (a) expenses of elections and plebiscites;
- (b) premiums on an insurance policy for damage to property, personal injury or liability, including liability of members of the council or employees of the municipality, volunteer members of fire departments, emergency services providers and volunteers in municipal programs;
- (c) repayment of money borrowed by the municipality, the payment of interest on that money and payment of sinking funds;
- (d) police services;
- (e) providing an emergency response system;
- (f) snow and ice removal;
- (g) equipping and maintaining fire departments or emergency services providers;
- (h) honoraria and training expenses for volunteer firefighters and emergency services volunteers;
- (i) providing school crossing guards;
- (j) emergency measures;
- (k) recreational programs;
- (l) advertising the opportunities of the municipality for business, industrial and tourism purposes and encouraging tourist

traffic, with power to make a grant to a nonprofit society for this purpose;

(m) promotion and attraction of institutions, industries and businesses, the stabilization and expansion of employment opportunities and the economic development of the municipality;

(n) lighting any part of the municipality;

(o) public transportation services;

(p) preventing or decreasing flooding;

(q) collecting, removing, managing and disposing of solid waste;

(r) salaries, remuneration and expenses of the mayor or warden, councillors, officers and employees of the municipality;

(s) the reasonable expenses incurred by the mayor or warden or a councillor for attendance at meetings and conferences, if the permission of the council is obtained prior to the meeting or conference or the attendance is in accordance with a policy of the council;

(t) the contribution of the municipality to a pension or superannuation fund;

(u) where determined by the Board, payment to the Board of an assessment on a public utility owned or operated by the municipality;

(v) annual subscription fees of the Union of Nova Scotia Municipalities and other municipal or professional associations;

(w) public libraries;

(x) lands and buildings required for a municipal purpose;

(y) furnishing and equipping any municipal facility;

(z) acquisition of equipment, materials, vehicles, machinery, apparatus, implements and plant for a municipal purpose;

(aa) streets, culverts, retaining walls, sidewalks, curbs and gutters;

(ab) placing underground the wiring and other parts of a system for the supply or distribution of electricity, gas, steam or other source of energy or a telecommunications system;

(ac) a system for the supply or distribution of electricity, gas, steam or other source of energy;

(ad) pounds;

(ae) a fire alarm system;

(af) ponds, reservoirs, brooks, canals and other means of accumulating or directing the flow of water to be used in extinguishing fires;

(ag) playgrounds, trails, bicycle paths, swimming pools, ice arenas and other recreational facilities;

(ah) public grounds, squares, halls, museums, parks, tourist information centres and community centres;

(ai) public markets;

(aj) property held by trustees for the use of the public;

(ak) wastewater facilities and stormwater systems;

(al) water systems;

(am) solid-waste management facilities;

(an) buildings for a medical centre to encourage medical doctors, dentists and other health professionals to locate in the municipality or a part of it;

(ao) industrial parks, incubator malls and land and other facilities for the encouragement of economic development;

(ap) parking lots and parking structures;

(aq) landing strips and airports;

(ar) wharves and public landings;

(as) carrying out an agreement with the Minister, Canada Mortgage and Housing Corporation or, with respect to projects authorized pursuant to the *National Housing Act* (Canada), a body corporate or agency having similar powers;

(at) contributing to a hospital to which the *Hospitals Act* applies, with power to raise the amount as an area rate in the area or areas primarily served by the hospital and to borrow for capital grants;

(au) a grant or contribution to

(i) a society within the meaning of the *Children and Family Services Act*,

(ii) a mental health clinic in receipt of financial assistance from the Province,

(iii) an exhibition held by an educational institution in the municipality,

(iv) a club, association or exhibition within the meaning of the *Agriculture and Marketing Act*,

(v) any charitable, nursing, medical, athletic, educational, environmental, cultural or social organization within the Province,

(vi) a registered Canadian charitable organization,

but the total of the amounts so paid in a fiscal year shall not exceed one per cent of the taxes for general municipal purposes levied by the municipality for that year;

(av) all other expenditures

(i) authorized by this Act or another Act of the Legislature,

(ii) that are required to be made under a contract lawfully made by, or on behalf of, the municipality,

(iii) incurred in the due execution of the duties, powers and responsibilities by law vested in, or imposed upon, the municipality, its mayor or warden, council or officers.