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Item No. 2
Halifax Regional Council
December 7, 2010

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by Director

Paul Dunphy, Director of Community Development

DATE: November 3, 2010

SUBJECT: Grants & Contributions: Evaluation Criteria

INFORMATION REPORT

ORIGIN

April 28, 2009 Regional Council (status sheet item #8.3) - Motion made by Councillor Younger requesting that the HRM Grants Committee report to Council on....specific requirements, criteria, scoring for tax exemption levels; land sales for less than market value and community grants.”

BACKGROUND

Grant and contribution programs are viewed favourably by Council as an important mechanism of response to communities and specific sectors that may be feeling powerless and disenfranchised, or feeling overwhelmed by the type and speed of change. They help to bring about social change, and foster and leverage new investment in cultural and economic development.

A significant aspect of HRM's Community Development Business Unit involves the administration of grants and contributions. The business unit plays a key role in building strong and vibrant communities through delivery of a variety of programs and support services that enhance the quality of life for residents and communities.

HRM's programs have a significant "social capital" underpinning with emphasis on building local capacity of communities, organizations and individuals. They assist in facilitating opportunities to improve the governance, leadership, administration, diversity, partnership, policies and planning of local non-profit groups. Programs also assist with developing and strengthening skills, abilities, processes and resources required to sustain, adapt, and thrive as a non-for-profit volunteer or professional organization. The following grant and contribution programs are directly administered by CD staff:

Community Relations & Cultural Affairs - Andrew Whitemore

- Annual Event Contributions
- Festival and Event Grants
- Summer Festival Grants
- Non-Annual Major Event Grants (MLSER)
- Hallmark Event Grants
- Common Concert Contribution Program
- Museum Facility Lease Agreements
- Artist-in-Community Service Agreements
- BIDC Service Agreements
- Community Grants
- Less-Than Market Sales
- Tax Exemption

Planning Services - Austin French

- Heritage Grants
- Barrington Street Heritage District Incentives

Community Recreation Services - Karen MacTavish

- Recreation Assistance Grants
- Youth Development Grants

Facility Management - Doug Rafuse

- Facility Lease Agreements
- Less-Than Market Leasing

DISCUSSION

An organizational realignment in 2008 led to a restructuring of the majority of grants and contribution programs under a single business unit – Community Development. This has facilitated new opportunities for coordination, alignment, and consistency among all grant and contribution policies and programs, that did not otherwise exist.

However, a number of challenges still exist with HRM's grant and contributions programs. While there has been considerable progress in developing detailed policy and procedures for some grant programs (i.e. events, community grants), many programs lack such definition. Furthermore, other than specific strategies, HRM does not have an integrated organizational strategy that establishes funding priorities by sector and type. Consequently, HRM tends to sustain past practices (referred to as "legacy" issues) or introduces grant and contributions 'programs' in a fragmented manner - only exacerbating inequity and disconnect and increasing the risk of duplication and/or inefficiencies.

While some of HRM's granting programs have clearly stated outcomes that are regularly measured, this is not a consistently applied practice. The absence of clear outcomes for HRM grant and contribution programs, makes decision-making more difficult, and prevents HRM from clearly understanding how these programs are advancing the organizational priorities.

With Community Grants and Contributions primarily managed under one business unit, the opportunity to develop a collective outcome policy to guide decision is timely.

This past business cycle, staff had intended to retain a consultant to undertake a major review of the existing programs with the intention of developing new common policies, standards, and recommendations for administrative improvements. Unfortunately, this initiative was deferred as a result of budget reductions.

Status of Grants and Contributions Review:

In the absence of budget to support the planned comprehensive review, staff have integrated various aspects of the review within the annual Community Development business plan. This has also required staff to prioritize the work based on the areas deemed most critical in terms of risk. The following offers a status on the various initiatives:

a) Revise The Civic Events Granting Policy Framework

In March 2007, the HRM Civic Event Granting Policy Framework was adopted. This was HRM's first attempt at providing policy to guide event granting process. The Policy defines clear event outcomes and priorities and suggests HRM focus support that "builds community, foster good community relations, develop local economy and tourism industry, and enrich the quality of life of all residents and visitors."

In 2010, Council adopted a new Event Strategy. As part of its implementation, it calls for a revised Civic Events Granting Policy Framework. This major revision has been completed

and is currently under review by the Special Events Advisory Committee. It is expected that the revised policy will be tabled with Regional Council in the winter of 2011.

Tax Exemption for Non-Profit Organizations:

Currently, there are no detailed scoring criteria for the program. The different levels of public subsidy tend to follow precedence and are set out in schedules under HRM By-law T-200. Staff do not consider this to be acceptable but the proposed re-design of the program was delayed pending Council's decision regarding the Tax Reform Project. The decision to proceed with the current tax system means that the review of tax assistance to non-profit groups can commence. The review will also include discretionary fire protection tax concessions to churches, cemeteries, and the Royal Canadian Legion. Community Development (Grants & Contributions) and Finance (Tax & Fiscal Policy) staff have initiated a review of the current program. The project will start with a review of properties assessed at the Residential rate, then Commercial, and finally leased properties. Findings and recommendations will be forwarded to the Grants Committee and Regional Council.

b) Less than Market Value Property Sales:

The Grants Committee has reviewed and provided feedback on draft Guidelines: Less than Market Value Property Sales to Non-Profit Organizations. If approved, staff will incorporate the proposed policies into the guidelines and then advance a report to Regional Council. Staff suggested a maximum value of HRM's in-kind contribution be established through policy. For example, as a % of market value or as a fixed \$-value. The committee is awaiting a formal recommendation. Staff reviewed 105 property transactions for the period 1998-2010. The listing includes (1) disposal of surplus schools; both market value and discounted, and (2) municipal properties. This data provides the basis for an analysis of net HRM revenues, opportunity costs, and tax revenues or subsidies. The findings will be sent to the HRM Grants Committee with recommendations regarding proposed policies. Regional Council has already approved policy regarding the disposal of surplus schools. HRM Policy and Procedures for the Disposal of Surplus Schools, September 19, 2000.

c) Community Grants:

The *HRM Community Grants Program* has detailed policies and procedures that are posted publicly on the HRM web site.

d) The HRM Community Facilities Partnership Fund:

The *HRM Community Facilities Partnership Fund* has detailed policies and procedures that are posted on the HRM web site.

e) Culture and Heritage Grants:

Currently, staff are developing the policies and evaluation process related to all heritage and culture grants and contribution programs. This initiative will ensure sound policies, criteria, and outcomes are defined for projects such as public art, community art, heritage, commemoration and signage initiatives. Additionally, staff have begun to develop a new grant and contribution program focussing on culture and economic development, with an

emphasis on major cultural institutions. Recommendations will be forwarded to the Grants Committee and Regional Council.

f) **Internal Audit:**

The Municipal Auditor's office is undertaking a review of various grants and in-kind contributions across all HRM departments. It is anticipated that the findings will be incorporated into the applicable program.

BUDGET IMPLICATIONS

There are no budget implications. 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, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

Not applicable.

ATTACHMENTS

None.

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/cc.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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