



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 11.4.1
Halifax Regional Council
October 25, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed _____
for Councillor Russell Walker, Chair, Grants Committee

DATE: October 12, 2011

SUBJECT: HRM Community Grants Program 2011 – 2012 Appeals

ORIGIN

The July 18, 2011 staff report, the October 3rd and October 11, 2011 meetings of the Grants Committee.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve nine (9) grants for a combined total of \$103,100 as outlined in Attachment 1 of the July 18, 2011 staff report with the following amendments:
 - a) the inclusion of Anchor Archives Society in Attachment 1 noting the removal of the cost share (percentage) requirement from the project scope.
 - b) include the wording “an additional” to the recommendation for the Farrell Benevolent Society (#5 of Attachment 1), as follows: “*Staff recommend an additional capital grant of \$12,500 conditional upon full reporting of all capital expenses made in relation to the Building Inspection Report (2011).*”
2. Decline two (2) appeals as outlined in Attachment 2 of the July 18, 2011 staff report;
3. Based on the appeal process and new information presented at the October 11, 2011 special Grants Committee meeting, consider an exception to the existing policy and award an additional \$15,000 for a total \$20,000 program grant for 2011-2012 to Symphony Nova Scotia.

BACKGROUND

The July 18, 2011 staff report, attached as Attachment 1 to this report, outlined the Appeals received in regard to 2011-2012 awards.

A special meeting of the Grants Committee was held on October 11, 2011 to hear the appeal presentation of Symphony Nova Scotia. An information package was submitted by Symphony Nova Scotia at the October 11th meeting that included a copy of the 2010/11 Annual Report and audited Financial Statements as of June 30, 2011.

DISCUSSION

Anchor Archives Society

At the October 3, 2011 Grants Committee meeting, discussion ensued on the July 18, 2011 staff report. Staff provided an update on the Anchor Archives Society's request to amend the terms of funding. The Society had requested full funding for the purchase of a color photocopier costing \$10,071.70. A grant of \$6,300 was approved with the proviso that HRM's share not exceed 33% of costs (HRM's grant is 62% not 33% as stated in a previous report). Under these terms the Society would be responsible for the balance of \$3,771.70. The group is unable to meet the cost-share requirement and have requested HRM's grant be used for the purchase of a second-hand color copier costing \$7,000-\$8,000, thereby reducing their cost-share while addressing the need for replacement equipment. Upon staff's recommendation, the Committee agreed that HRM revoke the cost-share (percentage) requirement.

Farrell Benevolent Society

The Committee requested that the recommendation in regard to the Farrell Benevolent Society, as outlined in Attachment 1 of the July 18, 2011 staff report, be amended by adding the words "*an additional*" to provide clarity as \$12,500 has already been approved. The remainder of the original request of \$25,000 is now being proposed. Staff confirmed that all information has been received from the Farrell Benevolent Society. The recommendation will now read as follows: "*Staff recommend an additional capital grant of \$12,500 conditional upon full reporting of all capital expenses made in relation to the Building Inspection Report (2011).*"

Symphony Nova Scotia

Attachment 3 of the July 18, 2011 staff report outlines a recommendation for deferral pending a presentation by Symphony Nova Scotia in regard to their appeal. On October 3, 2011, a motion was passed by the Grants Committee to hold a special meeting on October 11, 2011 to hear the appeal presentation by Symphony Nova Scotia. On October 11, 2011, representatives of Symphony Nova Scotia explained to the Grants Committee that the new direction adopted by HRM to adhere to program policy and the maximum non capital grant award of \$5,000 was not reflective of past practice wherein the \$5,000 ceiling had been exempted for Symphony Nova Scotia. Clarification was provided that Symphony Nova Scotia's intended use of the Community Engagement Program funding would be for non-school-based education and outreach programs throughout HRM. Also, it was clarified that private donations received for the Symphony Nova Scotia Foundation are for a specific purpose and cannot be redirected to current year operations.

Following the presentation and discussion by the Grants Committee, a motion was passed that, based on the appeal process and new information presented; it was recommended that Regional Council consider an exception to the existing policy and award an additional \$15,000 for a total \$20,000 program grant for 2011-2012 to Symphony Nova Scotia.

BUDGET IMPLICATIONS

Grant funding is within cost center M311-8004.

Program Budget 2011-2012	\$462,838
Less 53 Grants* (June 13, 2011)	<u>(\$327,721)</u>
Balance	<u>\$135,117</u>
Withdrawal (Viewpoint Gallery)	<u>\$ 3,500</u>
Balance	<u>\$138,617</u>
Recommended Awards (Appeals)**	<u>\$118,100</u>
Balance (pending approval)	<u>\$ 20,517</u>

*Vedanta Ashram Society (\$20,000) and Neptune Theatre Foundation (\$5,000) were deferred. These two awards have not been issued. A grant of \$12,500 to the Farrell Benevolent Society was added by the Grants Committee and approved by Regional Council; payment has been issued.

The appeal from the St. Margaret's bay Community Hall & Legion is for a change in scope only; there is no change to the value of award that is included in the \$327,721 (June 13, 2011). **On October 11, 2011 the Grants Committee recommended that an additional \$15,000 program grant be awarded to Symphony Nova Scotia for a total program grant of \$20,000 for 2011-2012. The \$15,000 has been added to the recommended awards (appeals) and deducted from the balance as shown above.

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

The Grants Committee is comprised of six (6) citizen representatives and six (6) elected officials representing each of the Community Councils.

ALTERNATIVES

1. Regional Council may choose not to approve the recommendations presented. This is not the recommended option.
2. Regional Council may choose to amend the recommendations presented. This is not the

recommended option.

ATTACHMENTS

1. The July 18, 2011 staff report.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.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: [Chris Newson, Legislative Assistant, 490-6732]



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No.
HRM Grants Committee
October 3, 2011

TO: Chair and Members HRM Grants Committee

SUBMITTED BY: Original Signed
Mike Labrecque, Deputy Chief Administrative Officer

DATE: July 18, 2011

SUBJECT: HRM Community Grants Program 2011-2012: Appeals

ORIGIN

As per approved policy the *Community Grants Program* accepts appeals from applicants deemed ineligible for consideration, those not recommended for funding, and recipients who wish to appeal the value of an award or applicable terms and conditions of funding. Policy also permits an appeal by an elected official on behalf of an applicant.

RECOMMENDATION

It is recommended that the HRM Grants Committee recommend that Regional Council:

1. Approve nine (9) grants for a combined total of \$103,100 as outlined in Attachment 1 of this report;
2. Decline two (2) appeals as outlined in Attachment 2 of this report;
3. Defer the appeal from Symphony Nova Scotia Society pending a presentation by the applicant to the HRM Grants Committee as described in Attachment 3 of this report.

BACKGROUND

Currently, the *Community Grants Program* allows for appeals from:

- (1) Applicants deemed ineligible for consideration.
 - a. At the initial intake stage 17 applicants were deemed ineligible; most were declined for non-compliance with reporting requirements in relation to a prior year's grant. If the report is received and complies with the terms of funding the applicant may be reinstated.
- (2) Grant recipients who wish to appeal the award value or conditions of funding.
- (3) Applicants not recommended for funding.
- (4) An appeal made by an elected official on behalf of an applicant.

Current policy states that an appeal will only be considered on the basis of new information, or an error in fact or procedure during the review (Guidebook, p. 35). Appeals must be made in writing within two weeks of notification; a deadline is provided in a letter of notification.

DISCUSSION

Appeals Profile: The *Community Grants Program* received 117 applications and a total of 11 (9%) on-time appeals:

- (1) *Ineligible:* As of the May 20, 2011 deadline, three (3) applicants requested reinstatement: Eastern Front Theatre, 2b Theatre Company, and Ketch Harbour Area Residents Association. All three had been declined funding on the basis of delinquent reporting. Once reports were received and in good order the applicant was reinstated through the appeal process;
- (2) *Council Appeals:* At the meeting of Regional Council June 28, 2011, three (3) appeals were referred back to the committee. Namely, the Acadia Recreation Club Limited, Neptune Theatre Foundation, and Farrell Benevolent Society. In accordance with policy, documentation was provided by both the applicant and the councilor who made the appeal;
- (3) *Award Appeal:* As of the July 18, 2011 deadline, two (2) applicants out of a total of 53 awards appealed: the St. Margaret's Bay Community Hall & Legion requested a change in project scope, and the Symphony Nova Scotia Society appealed the value of their award;
- (4) *Declined:* As of the July 18, 2011 deadline, three (3) applicants appealed the recommendation not to fund: the Hooked Rug Museum of North America, Khyber Arts Society, and Halifax Circus Cooperative Limited;
- (5) *Reinstatement:* This report also addresses the reinstatement of a capital grant to the Vedanta Ashram Society that was deferred by the Grants Committee pending confirmation of the applicable municipal building approvals;

- (6) *Applicant Withdrawal*: Viewpoint Gallery has confirmed that a presentation grant requested from the Nova Scotia Department of Communities, Culture & Heritage was unsuccessful. Therefore, they are unable to proceed with the project envisioned. HRM's grant of \$3,500 (exhibition catalog) was conditional upon provincial funding.

BUDGET IMPLICATIONS

Grant funding is within cost center M311.

Program Budget 2011-2012	\$462,838
Less 53 Grants* (June 13,2011)	<u>(\$327,721)</u>
Balance	<u>\$135,117</u>
Withdrawal (Viewpoint Gallery)	<u>\$ 3,500</u>
Balance	<u>\$138,617</u>
Recommended Awards (Appeals)**	<u>(\$103,100)</u>
Balance (pending approval)	<u>\$ 35,517</u>

*Vedanta Ashram Society (\$20,000) and Neptune Theatre Foundation (\$5,000) were deferred. These two awards have not been issued. A grant of \$12,500 to the Farrell Benevolent Society was added by the Grants Committee and approved by Regional Council; payment has been issued.

** The appeal from the St. Margaret's Bay Community Hall & Legion is for a change in scope only; there is no change to the value of award that is included in the \$327,721 (June 13, 2011).

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. As per program policy applicants may appeal on the basis of "...new information, or an error in fact or procedure during the review process" (Guidebook, p. 35).

ALTERNATIVES


1. The Grants Committee could overturn or amend a staff recommendation.

ATTACHMENTS

1. Recommended Awards.
2. Appeals Not Recommended for Funding.
3. Recommend Deferral Pending Applicant Presentation.

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: Peta-Jane Temple, Team Lead, Grants & Contributions, HRM Community Development 490-5469;
Peter Greechan, Community Developer, Grants & Contributions, HRM Community Development.

Report Approved by:  Original signed
Andrew Whittemore, Manager, Community Relations & Cultural Affairs, HRM
Community Development

Original Signed

Financial Approval by: _____
James Cooke, CGA, Director of Finance/CFO

Attachment 1

Recommended Awards

COMMUNITY DIVERSITY

Tier 1

1. Vedanta Ashram Society – Halifax – Capital Grant/Ethnocultural Community Centre - Reinstatement

The staff recommendation to award a capital grant of \$20,000 to the Society was deferred at the June 13, 2011, meeting of the HRM Grants Committee pending confirmation that applicable permits had been secured. An earlier variance application made by the Society requesting a reduction in set-backs required under current zoning had been declined. The purpose of a deferral was to confirm the current development complies with zoning. The revised building plan is conforming and as-of-right. The applicant has confirmed that construction will commence in 2011. *Staff recommend that the capital grant of \$20,000 towards community hall expansion be reinstated.*

Note: The *Community Grants Program* does not fund religious/faith or congregational activities; the grant is towards expansion of the kitchen that, in addition to serving the Society's functions, assists other local non-profit groups (eg. meals for homeless persons and seniors).

RECREATION & LEISURE

Tier 1

2. Ketch Harbour Area Residents Association – Ketch Harbour – Capital Project/Public Wharf

The association own and operate a de-commissioned federal wharf that is now used for a public boat launch, swimming, and recreational events. Full funding in the amount of \$12,200 requested for wharf repairs (\$5,146.15), construction of slipway extension and retaining wall (\$2,802.72), swimming platform (\$1,406.60), trailer (\$1,500), signage (\$400), and life jackets/bouy (\$549.85). The initial application was declined due to delinquent reporting. Reporting received and eligibility reinstated. *Staff recommend a capital grant of \$8,500 for wharf repairs, slipway extension and retaining wall, and lifesaving equipment. Excludes trailer and signage. Recommend applicant be referred to alternate funding sources eg. provincial recreation grants.*

3. Acadia Recreation Society - Lower Sackville – Capital Grant/Park Development

A capital grant of \$25,000 requested towards re-development of two under-utilized baseball fields into a community park/picnic area with paved walking trails, lighting, gardens, bandstand, and playground. The project is to be phased over 3 years at a total estimated cost of \$120,987. The plan for 2011-2012 includes fence removal, creation of flower beds, and bandstand design and construction. The project has broad public appeal and, with the possible exception of the bandstand, offers unrestricted access.

The application was declined funding because: (1) the Acadia Recreation Club Limited is a registered business and thus ineligible, (2) the project budget did not include quotes as per policy (Guidebook, p.12), and (3) a lack of clarity regarding which elements would be completed within the fiscal year (by March 31, 2012) - the project relies heavily on corporate and private donations. The review was unable to confirm which specific costs were to be assisted by an HRM grant and if such costs are eligible under the program's funding criteria.

Applicant ineligibility: The owner of the property is the Acadia Recreation Club Limited, a registered business formed in 1932. The original sale of private shares was to raise money to build Acadia Hall. Hall rentals constitute the organization's primary source of revenue. In 1985, the Club registered a non-profit society, the Acadia Recreation Society, for the purpose of transferring ownership of the property to the non-profit entity. The conveyance has been delayed pending confirmation of any capital gains tax implications, board approval, and legal documentation.

- The applicant has requested that the submission be considered under the Acadia Recreation Society. The society has a separate bank account.

Project budget and quotes: The Acadia Recreation Club Limited has committed \$15,000 to the project and intends to raise the balance (~\$95,987) through grants, corporate sponsorship, and public donations. Application has been made to Revenue Canada for registration as a charity; the ability to issue income tax receipts would help leverage donations.

- The applicant has clarified their request. HRM funding is sought for professional fees. Specifically, (1) architect fees for the design and technical specifications for a bandstand that will form the basis of soliciting construction quotes, (2) legal fees to advise on the proposed conveyance of the land to the non-profit society and any applicable capital gains tax appeal, and (3) landscape architect fees in relation to the design and technical specifications for hardscaping (paths, lighting) and gardens.

Project completion: The applicant is able to start the project with the assistance of local corporate in-kind donations for the removal of the fencing and partial grading. The ability to engage professional services will enable the Society to develop detailed project costing and applicable quotes. ***Staff recommend that HRM accept the Acadia Recreation Society as the applicant and award a capital grant of \$15,000 for professional fees.***

Note: Because the professional services relate solely and directly to a capital asset (land) and its development the grant is considered a capital grant. The value of grant is comparable to previous awards for professional fees in relation to large-scale property initiatives (ie. Atlantic Film Festival, Halifax Dance/Kinetic Dance, Mic Mac Native Friendship Centre).

Tier 2

4.St. Margaret's Bay Community Hall & Legion – Seabright – Capital Grant/Community Hall – Change in Project Scope

A capital grant of \$11,075 was approved for electrical upgrades (\$4,657), floor repairs (\$2,242.50) and 50% of the cost of a commercial dishwasher. The recipient has requested a change in scope of project given that federal funding has been received for the floor repairs and a major leak has occurred in the roof. The roof repair will cost \$9,021.75 (quote supplied). The purchase of a commercial dishwasher will have to be deferred, or funded from an alternate source. *Staff recommend a change in scope of award; the \$11,075 capital grant shall be for electrical upgrades (\$4,657) and roof repairs (\$6,418). This grant was approved June 28, 2011, therefore there is no additional budget impact.*

Tier 3

5.Farrell Benevolent Society – Dartmouth – Capital Grant/Community Hall

A capital grant of \$25,000 requested towards roof repairs estimated to cost \$58,214.15 (competing quotes were solicited and range from \$50,000 to \$80,000). The original submission referenced a building condition audit but documentation was not provided. The Society's financial statement indicated a building capital reserve and investments. Staff recommended funding be declined based on the ability to fully self-finance.

- The basis of the Society's appeal includes the submission of the support documentation and further explanation regarding the Society's financial reserves. Deputy Mayor Smith also provided additional information regarding mould problems and damaged caused by the roof leak, parking lot deficiencies, financial capacity, and the recent expansion of community programming accommodated by the hall.

Building condition report: HRM is in receipt of the Building Inspection Report, dated February 1, 2011, prepared by P.DeBay, a certified building inspector. The deficiency listing identifies fourteen items and assessed their relative priority. The inspector's report suggests that the combined repair/replacement costs to be approximately \$113,000 but does not include competing quotes and may err to the lower end of the price range. Major work includes replacement of the roof, windows, and interior wood panelling but does not include paving the parking lot. Roof replacement is noted as the highest priority. The estimates obtained by the Society are higher because they also include partial demolition of a brick chimney, eaves and gutters, and roof trim replacement.

Financial status: The Society's financial statement shows GIC's, a building reserve, and cash deposits totalling ~\$96,000. However, the cash deposit is required to cover unanticipated minor repairs and the Society is dependent upon bingo revenues (~98% of earned revenue). Therefore, albeit the capital reserve and investments can fully fund the roof replacement there is insufficient capacity to address deficiencies (including building code compliance) and re-paving the parking lot. The parking lot would not be funded under the *Community Grants Program*. *Staff recommend a capital grant of \$12,500 conditional upon full reporting of all capital expenses*

made in relation to the Building Inspection Report (2011). Refer to staff for assistance with future grant submissions.

COMMUNITY HISTORY

Tier 1

6.Hooked Rug Museum Society of Nova Scotia – Queensland – Capital Grant/Community Museum

A capital grant of \$25,000 requested for renovations to the Society's building that is to be developed as a museum and retail operation. The application was declined based on (1) the project's focus on the retail (a "marketplace" to sell locally-made hooked rugs) ie. employment and income generation for individual artisans, (2) unconfirmed balance of funding from the Society or other sources, and (3) the lack of independent confirmation of the museum's collection.

- The appeal requests consideration of revised quotes that total \$50,000 (includes upgrades for the retail store, electrical, accessible washrooms, and air conditioning). An assessment of the collection and related records was conducted by a collections management consultant from the Nova Scotia Department of Communities, Culture & Heritage, July, 2011.

Collection assessment: The independent collection assessment concluded that "While the museum has been incorporated since 2006 it has not existed as an actual museum" (p.4). The review provides recommendations regarding collection management, and a recommendation that the Society consult experts in museum operations and materials conservation to ensure that the building will meet the needs of a museum (temperature/humidity controls, storage, exhibit etc.). Engaging professional expertise and ensuring the collection's integrity and preservation should also strengthen the Society's ability to identify and apply for assistance to other funding sources.

Amended project focus: Further to the collection consultant's recommendations, the board has applied for membership to the Association of Nova Scotia Museums, formed a collections sub-committee, and undertaken to document and register archival materials intended for exhibition or permanent display. The board has also agreed that additional partitioning and climate controls to secure and preserve archival materials and artefacts take priority; design and construction to comply with the Canadian Conservation Institute guidelines for museum standards. ***Staff recommend a capital grant of \$20,000 for accessible public washrooms (\$5,000), air conditioning system (\$10,000), and cost-share of interior wall partitions (\$5,000). Conditional upon balance of \$15,000 from the Society towards air conditioning system. Future funding requests to be evaluated relative to the Society's demonstrated progress with collection management. Refer to staff for follow-up assistance with respect to future funding requests.***

ARTS & CRAFTS

Tier 3

7. Eastern Front Theatre Society – Dartmouth – Capital Grant/Equipment

Eastern Front Theatre is a professional theatre company that commissions or presents works by Canadian playwrights. A grant of \$5,000 requested to purchase projection equipment. The equipment (quote \$6,313.50) will enhance the company's set design capacity and staging the annual SuperNova Theatre Festival. The initial submission was declined due to incomplete reporting for the prior year's grant. Final reporting received and eligibility reinstated. *Staff recommend a capital grant in the amount of \$5,000 towards the purchase of projection equipment.*

8.2b Theatre Company – Halifax – Program/Marketing

2b Theatre Company is a professional theatre company that produces and tours contemporary theatre works. Full funding in the amount of \$4,949 requested for the production of self-promotional materials (brochure, DVD) to market the company's touring repertoire to national and international presenters, notably to theatre festivals in Western Canada, Australia, New Zealand, and the UK. The initial submission was deemed late (the material sent by fax was incomplete and the hard copy was mailed to the incorrect address). 2b Theatre has appealed their ineligibility based on misdirected mailing. The applicant's financial statement indicates the ability to cost-share. *Staff recommend a grant of \$2,100 for production and printing of a self-promotional brochure for marketing the company's touring repertoire (excludes postage). Conditional one-time funding, excludes future re-prints.*

9. Neptune Theatre Foundation – Halifax – Capital Grant/Change in Project Scope

A grant of \$20,000 requested towards the *Studio Series*, a program of three plays presented by visiting professional theatre companies: Kazan Cooperative/Neptune Theatre, Tarragon Theatre Productions (Toronto), and Theatre Newfoundland Labrador Productions. The total costs are estimated to be \$134,467. Projected revenues are primarily from ticket sales. Staff recommended a grant in the amount of \$5,000; this is the maximum value of program grant.

- Neptune Theatre's appeal requests a change in project scope so as to comply with program policy: "Upon reviewing the funding criteria for the Arts and Crafts sector, and having taken into consideration that our overall goal is to be compliant with the funding criteria for the Community Grants Program, Neptune Theatre would like to align its funding request for \$20,000 with your existing policy. We therefore request that \$20,000 be awarded to Neptune Theatre under the capital grants portion of the fund, to assist with our lighting purchases for 2011-2012".

As part of the Foundation's Long-Term Capital Asset Replacement Plan, lighting upgrades, replacement or augmentation have been identified as the priority project for the 2011-2012 fiscal year. Technological advances, energy conservation, workplace safety, electrical upgrades and computer interface are incorporated into the project at a total cost of \$102,134.88. The work encompasses both the Mainstage and Studio theatres and will be completed by the Fall of 2010.

In accordance with policy, an appeal may be considered on the basis of new information unavailable to the applicant and/or reviewer at the time of application. The appeal review recognizes that timely notification was intended to provide guidance to the applicant and could have resulted in an initial submission in accordance with established policy (ie. the value of request and eligible expenditures). Therefore, staff recommend acceptance of the requested change in project scope. *Staff recommend a capital grant of \$20,000 towards facility lighting system upgrades.*

Attachment 2

Appeals Not Recommended for Funding

RECREATION & LEISURE

Tier 2

10. Halifax Circus Cooperative Limited – Halifax – Capital Grant/Vehicle

A capital grant of \$11,500 requested to fully fund the purchase of a used 7-passenger minivan (\$11,385) to transport equipment and one year's operating costs. By deducting \$11,385 from the \$11,500 requested the value of operating costs would only be \$115. It should be noted, however, that the sale price of the van is \$9,990 plus HST. If the tax were not included in the initial grant request, the balance of operating would be \$1,510 which is slightly higher than the prior year's actual insurance (\$1,350). The application was declined based on (1) only one quote, (2) no cost-share, (3) annual operating costs are ineligible for funding, and (4) the format of the coop's financial statement warrants further clarification.

- The basis of appeal is that the private vehicle previously used is no longer available and transportation is required between venues. The value of grant requested was reduced to \$10,500 towards total costs of \$15,580. The cost of the van is given as \$11,500 and operating costs are \$4,080 (insurance, gas, repairs). The Cooperative also amended their submission to include a contribution of \$5,080. No competing quotes.

Operating expenses of \$4,080 are ineligible for funding. Therefore, the eligible expenses include only the purchase of the van at \$11,385 including HST. In the opinion of staff, the 2011 projected budget indicates a capacity to self-fund by prioritizing the purchase of a vehicle relative to other capital expenditures. *Staff recommend decline. A meeting with the applicant to review the group's financial reporting is advised.*

ARTS & CRAFTS

Tier 2

11. Khyber Arts Society -- Halifax – Capital Grant/Equipment

A grant of \$3,500 requested towards the purchase of projection equipment in relation to hosting the Carbon Arc Independent Cinema; a registered sole proprietorship. The request was declined on the basis of (1) a for-profit beneficiary, (2) sole source quotes, (3) an operating deficit, and (4) uncertainty regarding the future use of the property.

- The Society's appeal is based on error on the part of the applicant in presentation of the costing documentation which was titled "Carbon Arc Independent Cinema" and a miscalculation in the financial statement. The rationale for single quotes was based on "....equipment deemed optimal for the venue".

Presently, the Khyber Arts Society has a month-to-month lease agreement for part of the 2nd floor. In addition, a temporary license agreement provided access to parts of the 2nd floor and the

entire 3rd floor for the purpose of events, subject to the HRM's approval. The temporary license agreement's two-month term expired March 31, 2011.

Regional Council has yet to approve an operating model for the premises; as such, funding to support a designated purpose appears contrary to HRM's interest in assessing the viability of alternate operating models, especially if use includes permanent installations. Notwithstanding the prospect of use by other film/video groups, the applicant's submission clearly stated "...purchase of audio equipment and blackout curtains for the Khyber/Carbon Arc Independent Cinema Project". *Staff recommend decline.*

Attachment 3

Recommend Deferral Pending Applicant Presentation

Tier 3

12. Symphony Nova Scotia Society – Halifax – Program

A grant of \$30,000 requested towards “community engagement programming”. The total estimated costs are \$266,650 including orchestra services (\$180,000), production costs (\$18,360), conductor and guest artists (\$20,000), marketing (\$3,060), artistic costs (\$16,320), and “in-kind” (\$10,000). With the exception of unconfirmed donations (\$15,500), sponsorship (\$36,000), and ticket sales (\$38,148), program funding is primarily from Symphony’s annual operating budget (\$154,852). There is no itemized cost breakdown by individual program or project.

Programming includes instructional workshops, events (Scotia Festival of Music, Open Waters Festival of New and Improvised Music, Symphony Week), open dress rehearsals, student matinees, Adopt-a-Musician, collaborative concerts (St. Cecilia Concert Series, NS Youth Orchestra), and free tickets to charitable organizations for any concert not sold out. The staff reviewed the list of activities and deemed school-based programming*, events, and workshops ineligible (Guidebook, p.31). Staff recommended a grant of \$5,000 towards the Musical Munchkins Program for pre-schoolers delivered through the Halifax Library; this is the maximum value of a project grant.

- Symphony Nova Scotia has appealed the value of the award based upon (1) lack of timely notification, (2) assurance of no change in funding levels, (3) the Symphony’s special status with the *Community Grants Program* dating back to pre-amalgamation, (4) the motion of June 7, 2010, was passed without consultation from the Symphony, (5) a negative impact on programming (July 8, 2011).

Notification: The appeal review does not take issue with the assertion that timely notification was intended to guide the applicant, and could have resulted in an initial submission that was in accordance with established policy (ie. the value of request and eligible expenditures). However, in an email dated April 21, 2011, staff extended the offer to amend the submission or enter a formal appeal to the Grants Committee in advance of the staff report due to be tabled in May, 2011. This offer complies with the program’s policy which includes appeals based on new information unavailable to the applicant at the time of the review (Guidebook, p. 35). It should also be noted that the timing of this offer was in advance of the Arts & Crafts sector staff review meeting scheduled for April 27, 2011. The offer was declined.

Funding level assurance: Informal correspondence between HRM staff or elected representatives cannot be taken as the official position of HRM; any grant guarantee would require the approval of Regional Council in a public decision-making forum.

Special status: The applicant’s claim of special status under the *Community Grants Program* is essentially conjectural in the absence of any formal motion of Regional Council. Currently,

program policy does not restrict recurring applications; an organization can apply annually and grants are merit based. However, both the frequency and value of annual awards to both the Neptune Theatre Foundation and Symphony Nova Scotia Society exceed other applicants (ie. the maximum of a non-capital grant is up to \$5,000). Recurring awards to these two organizations may be regarded as a 'legacy' with respect to funding received prior to amalgamation. The former City of Halifax contributed to both Neptune and Symphony Nova Scotia. The former City of Dartmouth contributed to Symphony Nova Scotia. At the time there were few, if any, grants to other professional or non-professional arts organizations.

The Symphony Nova Scotia Society has received a grant every year except for 2007 when, in error, application was not made to the program. A request for annual funding of \$60,000 per year for 4 years was declined in 2000. Since 2005, budget reductions and a significant increase in the number of applications to the Arts & Crafts sector resulted in a decreased level of grant funding. Hence, the value of award was reduced 50% in 2005 (as was Neptune Theatre's). A one-time increase was made in 2008 for Symphony's 25th Anniversary program. When the one-time grant of \$10,000 for Symphony's anniversary made in 2008 is deducted, the average value of grant over a 5-year period (2005-2010) is \$17,500.

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$25,000	\$25,000	\$25,000	\$25,000	\$12,500
2006	2007	2008	2009	2010	2011				
\$15,000	n/a	\$30,000	\$20,000	\$20,000					

Arguably, the development of the HRM Cultural Plan (2006) has generated an increase in the number of applications to the Arts & Crafts sector from established professional arts organizations, emerging arts groups, and community-based arts programming aimed at fostering inclusion or social engagement. HRM does not have a designated funding program exclusively for professional arts organizations. The *Community Grants Program* does not provide recurring core operating subsidies and is primarily intended to support local volunteers and community-based capacity building and special projects.

Project-specific budget impact: The *Community Grants Program* does not fund core operating expenses, therefore project-specific costs are necessary to identify eligible projects and/or expenses. From the list of activities described under 'community engagement' those projects that fall outside the *Community Grants Program's* funding criteria include workshops, events, school-based programming, and programs delivered outside HRM's geographic boundary. Programs that appear to have little or no additional costs include Open Dress Rehearsals, Community Compliments (free tickets for productions not sold out), and Pre-Concert Chats. In the opinion of staff, those programs that appear to be most closely aligned with HRM's interests include free public concerts in downtown Halifax (Symphony Days, September), Culture Days (October), Library Series (adult continuing education), Adopt-a-Musician, and Musical Munchkins for pre-schoolers.

In the absence of itemized program costs, the staff recommendation to support the Musical Munchkins Program was based on the high level of inclusion (located in public libraries, introductory), affordability (free), the active participation of young children in music-making,

singing, and dancing, and potential scope of outreach. The type of cost envisaged by HRM staff includes marketing and equipment purchases.

The 2011-2012 grant submission shows project-specific revenues of \$266,650, (including an unconfirmed grant of \$30,000 from HRM) and expenses of \$247,740 for a net revenue of \$18,910. If HRM's award remains at the \$5,000 approved June 13, 2011, the projected net revenue would be -\$6,090. If HRM's award were increased by \$15,000 to \$20,000 (as per awards in 2009 and 2010) the net revenue would be \$8,910. It should be noted, however, that ~38% of projected revenues are unconfirmed. In the absence of prior year actual project-specific revenues, staff cannot confirm the probability of generating \$89,648 through project fees, rental, admission charges or designated donations and sponsorship.

Organizational budget impact: The applicant's letter of appeal includes reference to "... a devastating effect on the programming the Symphony is able to offer the community". Using the figures provided in the applicant's submission (the project-specific budget described above) the greatest risk appears to be in a shortfall in projected donations and sponsorship. In terms of an impact on the 2011-2012 fiscal budget, the prior year's audited financial statement for the Symphony Nova Scotia Society shows revenues of \$3,731,689 and expenses of \$3,697,576 for a net revenue of \$34,113. It should be noted, however, that 'expenses' includes a net transfer of \$349,591 from the Symphony Nova Scotia Society's *Listen to the Future Campaign* to the Symphony Nova Scotia Foundation. The Foundation is a designated charity whose role is to manage endowment funds to support the Symphony Nova Scotia Society. In 2010, the Foundation's investment holdings totalled \$4,064,515.

Using the financial information provided in the original submission, staff find no basis to amend the initial funding recommendation. The initial award of \$5,000 approved by Regional Council (June 13, 2011) has been issued to the applicant. However, the Grants Committee has agreed to a presentation from the Symphony Nova Scotia Society to be scheduled following receipt of the staff report on all appeals. ***Staff recommend deferral pending the applicant's presentation to the Grants Committee.***

*HRM provides supplementary funding to the Halifax Regional Board. In 2010-2011, supplementary funding totalled \$19,046,100 of which \$3,589,900 was designated for arts and music education. HRM's new 4-year agreement stipulates that arts and music funding not be reduced.