



Item No. 11.1.1
Halifax Regional Council
October 29, 2013

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: October 9, 2013

SUBJECT: Canadian Red Cross Atlantic Zone – Capital Grant Request

ORIGIN

September 10, 2013 – Motion passed at Regional Council requesting a staff report outlining a recent financial request to the Municipality from the Red Cross for their new emergency centre, the status of the request, as well as possible funding options.

LEGISLATIVE AUTHORITY

HRM Charter s. 79(1) respecting grants and contributions.

RECOMMENDATION

It is recommended that Halifax Regional Council decline the Canadian Red Cross: Atlantic Zone request for \$300,000 as per the rationale provided in the Discussion section of this report and refer the Canadian Red Cross: Atlantic Zone to the HRM Community Grants Program.

BACKGROUND

1. Proponent

The Canadian Red Cross is a national charity with offices throughout Canada. National programming includes disaster preparedness and response, injury and violence prevention, health and home support services, immigration and refugee detention monitoring, and family reunification. International aid includes overseas development projects, humanitarian relief, and training in humanitarian law. The Atlantic Zone is headquartered in Saint John New Brunswick. Red Cross service centres and health equipment loan depots are located throughout Nova Scotia one of which is within the geographic boundary of HRM.¹ The Atlantic Zone branch is sustained by service fees (NS Department of Community Services emergency social services, health equipment loan fees, and home care) supplemented by national and local fundraising.

2. Funding Request

A grant in the amount of \$300,000 has been requested under the *Red Cross Prepared Campaign*. The goal of the campaign is to raise \$3,000,000 to expand the current service centre in Burnside Business Park, Dartmouth, to enhance disaster response and volunteer training for the Atlantic region. The project encompasses the following:

Training Centre	\$1,400,000	Renovations and equipment
Media Room	\$ 100,000	
Vehicle	\$ 200,000	Mobile operations vehicle
Communications Room	\$ 150,000	Renovations and equipment ¹
Operations Room	\$ 500,000	Renovations and equipment
Volunteer Respite Room	\$ 100,000	Renovations and furnishings
Mobilization and Logistics	\$ 250,000	Renovations for on-site storage and supplies ²
Volunteer Training Program	<u>\$ 300,000</u>	Educational materials, fees and consumables ³
Total	\$3,000,000	

1. Equipment includes satellite telephones, multi-media, audio-visual
2. Supplies include cots, blankets, comfort kits
3. Includes travel for volunteers or facilitators/guest speakers/instructors, food, lodging as required, administration, recruitment costs, community engagement.

Capital costs comprise approximately \$2,700,000 primarily in renovations to an existing facility whereas the volunteer training program costs are primarily recurring annual operating costs plus printed or digital materials. An itemized breakdown of costs was not included in the grant request. Therefore, a review of the request was unable to determine the allocation of expenditures between renovations to an existing structure versus equipment. As of March 13, 2013, the campaign had realized \$2,225,000 but pledges can be pro-rated over a 1 to 5-year period. Conceivably, some costs could be phased over successive years. For example, the purchase of a vehicle, equipment, supplies, furnishings, and printed materials.

¹ Amherst, Antigonish, Bridgewater, Metro Halifax (Burnside Industrial Park, Dartmouth), Kentville, Sydney, Truro, and Yarmouth.

DISCUSSION

Given the nature of the project, Fire & Emergency Services was asked to prepare a response. In a letter dated August 12, 2013, the proponent was advised that while improving the effectiveness of emergency response volunteers across Nova Scotia was a worthwhile objective, it was not within HRM's mandate. An expenditure of \$300,000 from Fire & Emergency Services budget was not considered a strategic or operational priority. Council requested a formal staff report September 10, 2013.

3. Rationale to Decline Request

- a. Based on the information received to date, it appears that the Canadian Red Cross has raised sufficient funds to complete most of the anticipated renovations. Arguably, elements of the project could be phased as the balance of funding is realized. Namely, individual equipment items and supplies. With the possible exception of printed materials, the \$300,000 is volunteer training expenses appear to be recurring program-specific operating costs.
- b. The society could apply to the 2014 *Community Grants Program* for a capital grant of up to \$25,000 towards the purchase of equipment. The program has a designated Emergency Assistance funding category and has provided capital and project-specific grants to volunteer-led emergency preparedness and disaster response initiatives. Although there is a threshold imposed on the maximum value of grant, an organization may elect to make application to the program in successive years. Exceptions can and have been made by Council subject to the program's annual budget capacity.
- c. The Emergency Assistance category of the *Community Grants Program* has witnessed a significant increase in demand in recent years as shown below in Table 1. Growth in the frequency and value of funding requests is primarily in relation to the development of emergency comfort centres in properties owned and operated by non-profit organizations, and equipment for volunteer search and rescue groups. These volunteer initiatives are located throughout HRM.

Year	Total Sector Requests	Grants Awarded	Applications Declined	Ineligible Applications
2011	\$40,880 (5)	\$9,176 (2)	\$31,704 (3)	\$0 (0)
2012	\$51,340 (5)	\$26,340 (4)	\$0 (0)	\$25,000 (1)
2013	\$119,564 (14)	\$76,564 (12)	\$43,000 (2)	\$0 (0)

In reviewing the Red Cross request for \$300,000 the issue need not be polarized as volunteer recruitment/ retention/training versus amenities/equipment: some combination of both is desirable. Rather, how might HRM maximize the impact of its discretionary investment in support of local volunteer-based emergency response capacity building? Although the recruitment and training of volunteers throughout the Atlantic region is a desirable objective, a discretionary expenditure of \$300,000 would not be based on a needs assessment or prioritization

of HRM's volunteer emergency response sector. In the alternative, and based on an ability to phase certain expenditures, referral to the HRM *Community Grants Program* is recommended.

- d. As per Fire and Emergency Service deliverable F&E 2.5 (13/14 Business Plan/Budget), HRM Fire & Emergency Services are in the planning stages of starting a multi-year project to acquire land, design, construct and operate a municipal fire and emergency services training centre. It is envisaged that the new centre would include classroom and outdoor training amenities for both career and volunteer first responders. Therefore, although access to the Red Cross facility in Dartmouth might be convenient in the short-term, HRM has not identified an operational deficiency in this regard.

4. HRM Tax Assistance

Although the impact of a property acquisition, new construction or expansion on HRM's current or future costs is not the determining factor in evaluating a capital grant request, the implications should form part of an analysis of any direct and indirect costs to the Municipality. In this specific case, the Canadian Red Cross facility located at 133 Troop Avenue, Dartmouth, is in receipt of tax assistance under HRM By-law T-200, excluding 30% of the premises that has been leased to an unrelated third party. Discontinuation of such lease will potentially increase the costs to By-law T-200 as the premises will be fully owner-occupied. Further, issuance of a building permit could trigger a tax re-assessment of property value by Property Valuation Services. In 2013, the property's assessed value was \$3,007,000 and taxes were \$107,165.

5. Equitable Access to Opportunity

Notwithstanding that it is Regional Council's prerogative to suspend policy, consideration of a funding request outside the annual budget process or an established program or source could encourage similar requests from groups seeking preferential consideration. In the absence of an open call for submissions, the Municipality may deny other qualified non-profit organizations from equitable access to opportunity. Consequently, the risk to the Municipality is reputational, not financial.

FINANCIAL IMPLICATIONS

There are no financial implications associated with the proposed recommendation. If the Canadian Red Cross chooses to pursue application an additional report will be presented to Regional Council.

COMMUNITY ENGAGEMENT

Not applicable. This is an unsolicited request for funding.

ENVIRONMENTAL IMPLICATIONS

None.

ALTERNATIVES

1. Should Regional Council wish to fund all or a portion of the \$300,000 requested, options are provided in Attachment 1 of this report.

ATTACHMENTS

1. Municipal Funding Options.

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, FICT 490-5469

Report Reviewed by: Roy Hollet, Deputy Chief, Fire & Emergency Services

Report Approved by: _____
Bruce Fisher, Manager of Financial Policy & Planning, FICT 490-4493

Financial Approval by: _____
Greg Keefe, Director of Finance & ICT/CFO, 490-6308

Report Approved by: _____
Doug Trussler, Chief, Fire & Emergency Services

Attachment 1

Municipal Funding Options

Currently, there is no funding program through which this project can be funded at this time. Options include:

- a. Community Grants Program:** The annual program is designed to fund volunteer and non-profit initiatives of modest scale across a broad spectrum of programs and services. Because funding is available to a range of interests the program is heavily subscribed and maximum funding thresholds are applied to both project (up to \$5,000) and capital grants (up to \$25,000).

The proponent could make application to the program under the Emergency Assistance sector for a capital grant. Typically, awards higher than \$25,000 represent the fulfillment of a pre-amalgamation capital pledge, a volunteer organization providing a service that aligns with HRM's mandate, the combined value of grants awarded to distinct phases of a project over successive years, or a discretionary decision by Council (eg. Canadian Naval Memorial Trust, AGNS, Maskwa Aquatic Club, Lake District Recreation Association). The program does not provide multi-year funding but applicants have the option of making annual application.

- b. Annual Budget Allocation:** Regional Council could instruct staff to provide funding through the operating budget. This would require staff to offset these costs through operational savings or from a prior year surplus.
- c. District Capital Funds:** Individual councillors could provide a grant from their respective annual discretionary capital funds.
- d. Community Facilities Partnership Reserve (Q138):** The Fund is not considered an option given that its' current priorities focus on economic development initiatives (culture, sport, entrepreneurial enterprise) and new construction. The Red Cross proposal is not closely aligned with the program's intent. The Fund's activities were suspended in 2011.