



P.O. Box 1749
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Item No. 11.5.1
Halifax Regional Council
January 14, 2014

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY. Original Signed
for: Councillor Walker, Chair and Members of HRM Grants Committee

DATE: December 16, 2013

SUBJECT: North End Business Association Grant Appeal

ORIGIN

Appeal report presented at the November 7, 2013 HRM Grants Committee meeting.

LEGISLATIVE AUTHORITY

HRM Charter (2008) Section 70 (1) Area Improvement and Promotion

RECOMMENDATION

The HRM Grants Committee recommends Halifax Regional Council uphold the application of policy and decline discretionary matching funding to the North End Business Association in 2013-14.

BACKGROUND

On September 17, 2013, Regional Council approved of matching funding to seven business improvement districts under the BID Contributions Fund. On September 19, 2013 a letter of appeal to the HRM Grants Committee was received from the North End Business Association requesting consideration of late application for funding.

A staff report dated October 15, 2013 “North End Business Association – Grant Appeal” was presented to the HRM Grants Committee on November 7, 2013.

Refer to staff report for further background on the BID Contribution Fund.

DISCUSSION

The Grants Committee reviewed and discussed the October 15, 2013 staff report. An extract of the November 4, 2013 minutes is attached (Attachment 2).

FINANCIAL IMPLICATIONS

As outlined in the October 15, 2013 staff report.

COMMUNITY ENGAGEMENT

The Grants Committee consists of five (5) members of Regional Council as well as five (5) members of the general public. Grant Committee meetings are open to the public.

ENVIRONMENTAL IMPLICATIONS

None.

ALTERNATIVES

Refer to alternatives set out in the Alternatives section of the October 15, 2013 staff report.

ATTACHMENTS

1. Report dated October 15, 2013 “North End Business Association – Grant Appeal”
2. Extract of the November 4, 2013 HRM Grants Committee minutes.

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: Jennifer Weagle, Legislative Assistant, 490 6517

**Grants Committee
November 7, 2013**

TO: Chair and Members HRM Grants Committee

SUBMITTED BY: Original signed

Greg Keefe, Director of Finance/CFO

DATE: October 15, 2013

SUBJECT: North End Business Association – Grant Appeal

ORIGIN

September 17, 2013 – Regional Council approval of matching funding to seven (7) business improvement districts under the BID Contributions Fund.

September 19, 2013 - A letter of appeal to the HRM Grants Committee received from the North End Business Association requesting consideration of late application for funding.

LEGISLATIVE AUTHORITY

HRM Charter (2008) s. 70(1).

RECOMMENDATION

It is recommended that the HRM Grants Committee uphold the application of policy and decline funding to the North End Business Association in 2013-14.

BACKGROUND

In 2011, Regional Council approved policy for the distribution of discretionary municipal funding to local business improvement districts under a BID Contributions Fund. Any grant awarded under the program is to be matched with non-municipal funds. HRM's contribution shall not exceed 50% of total costs. The Fund replaced the practice of reimbursing individual expenditures with a more efficient and accountable funding process. Payment is made through direct deposit.

Given the timing of area rate approvals, an application deadline is not stated in policy. However, Item 6 of the Fund's policy clearly states that "Late or incomplete applications shall not be considered". At the BID quarterly meeting of January 29, 2013, notice was given and duly noted in the official minutes that the application deadline for the 2013-14 program was June 10, 2013.

DISCUSSION

- **2012-13 Program:** Late application from the NEBA. Grants Committee accepted the application based on the first year of implementing a formal application process. The staff report of August 13, 2012, states "On a go-forward basis, late applications will be declined" (p.2). Final reports were due April 30, 2013. An additional reminder was sent via email to all BID's on April 25, 2013. A letter dated September 19, 2013, from NEBA requesting the carry-forward of funds awarded was approved.
- **2013-14 Program:** No application received by the stated deadline of June 10, 2013.
- **Appeal:** The basis of appeal, as stated in correspondence dated September 19, 2013, and included as Attachment 1 of this report, is "...There was some confusion between the previous Executive Director and HRM staff around this fund and reporting and application dates and requirements". A follow-up email to confirm the exact nature of actions, or inaction, on the part of HRM staff confirmed that the basis of appeal was essentially hearsay. A review of the appeal indicates that repeated efforts to engage the NEBA in compliance with the program's policy and procedures were disregarded.
- **Orientation Meeting:** In an effort to prevent further default, HRM staff met with a representative of the NEBA on August 20, 2013, to present options to address delinquent reporting and to confirm understanding of the application and reporting process.

FINANCIAL IMPLICATIONS

Based on a proportional share of all BID revenues, excluding provincial or federal grants in lieu, the North End Business Association would have been eligible for matching funding in the amount of \$6,196.19. If the recommendation not to fund is approved the balance remaining in M311-8006 will be retained to offset any unanticipated cost overrun in the Grants Program portfolio in 2013-14. If at year-end the funds are not required they will form part of HRM's overall operating surplus/deficit.

COMMUNITY ENGAGEMENT

Not applicable. BID Contributions Fund eligibility is restricted to business improvement districts formally recognized by HRM.

ENVIRONMENTAL IMPLICATIONS

None.

ALTERNATIVES

1. The HRM Grants Committee could overturn the staff recommendation to decline and advance a recommendation to Regional Council to fund a late application from the balance remaining in operating account M311-8006.
2. The Grants Committee could recommend an amendment to current policy with the addition of application and reporting deadlines that accommodate the approval of area rates. This minor amendment to policy might improve clarity and consistency.

ATTACHMENTS

1. Letter from North End BID to HRM Grants Committee dated September 19, 2013.

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, Finance & ICT 490-5469.
Peter Greechan, Community Developer, Grants & Contributions, Finance & ICT 490-7310;

Original signed

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

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September 19th, 2013

HRM Grants Committee:

I am writing you to request consideration for late funding through the 2013 BID Contributions Fund to fund two marketing projects for the North End Business Association. The funding request totals \$6,000 and the projects are the following:

- Marketing and Promotions – the development of a new North End Halifax walking map and business directory for the area, to be handed out to tourists and placed in various locations throughout the city;
- Marketing and Promotions – website development and graphic design to support new *North by Day* and *North by Night* branding themes.

There was some confusion between the previous Executive Director and HRM staff around this fund and reporting and application dates and requirements. Upon taking over as Executive Director, I was notified of these issues in mid-August and met Grants staff to review this file – unfortunately, the time to apply for the 2013 fund had passed before I could to submit an application.

I have since been pro-actively working to ensure compliance for the 2012 Contribution fund and will work diligently to complete the 2012 work, as well as the 2013 work if granted the funds, in the allotted time frame.

I am requesting the committee to please give consideration to our late application. The businesses in the North End would certainly benefit greatly from these marketing initiatives and I will continue to work productively with HRM Grants staff around our responsibilities for this fund.

I would like to thank you in advance for your consideration.

Best,

Original signed

David Fleming
Executive Director

North End Business Association
david@gonorthhalifax.com

Attachment 2

Extract of the November 4, 2013 HRM Grants Committee minutes

7.2 North End Business Association – Grant Appeal

A report dated October 15, 2013 was before the Committee.

Ms. Temple reviewed the report, noting that staff could not find any negligence on HRM's part with regard to this application. The recommendation is based on the policy of Council.

The Committee discussed the details of the appeal. Ms. Temple clarified that the fiduciary responsibility for the grant would lie with the Board of Directors, regardless of a change in Executive Directors. She noted that this is the second year in a row that the Association's application was late. Ms. Temple further noted that the Committee has held discussions at previous meetings on being consistent with regard to late applications.

Responding to questions from Councillor Hendsbee, Ms. Temple clarified that their next application deadline would be in April. She noted that the policy does not include a specific due date, and suggested an amendment to the policy to include a date.

Responding to questions from Ms. Watson, Ms. Temple provided clarification with regard to the setting of the area rates by Council, noting that this is typically done in June after the approval of the budget.

MOVED by Councillor Dalrymple, seconded by Councillor Whitman, that the HRM Grants Committee uphold the application of policy and decline funding to the North End Business Association in 2013-14.

With the agreement of the mover and seconder, it was **MOVED by Councillor Hendsbee, seconded by Geoff Baker, that the motion be amended for clarity to read "...decline *discretionary matching* funding...". MOTION PUT AND PASSED.**

MOVED by Councillor Hendsbee, seconded by Councillor Whitman, that the HRM Grants Committee request a supplementary report exploring alternative #2 of the October 15, 2013 staff report, to amend current policy with the addition of an application deadline within 30 business days after approval of area rates. MOTION PUT AND PASSED.