

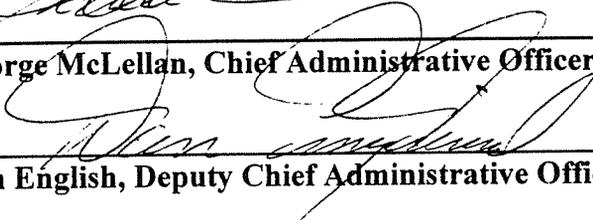
Halifax Regional Council

March 26, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Dan English, Deputy Chief Administrative Officer

DATE: March 12, 2002

SUBJECT: Titanic Commemorative Reserve and transfer of White Star Ocean Steam Navigation Trust account from Royal Trust to HRM

ORIGIN

Meeting with Mayor Kelly, Alan Ruffman and staff on October 4, 2001 and follow-up meeting between Alan Ruffman and staff on February 26, 2002 to discuss financial issues, preservation issues and commemoration opportunities associated with Titanic.

RECOMMENDATION

It is recommended that :

1. Council approve the creation of a Titanic Commemorative Reserve;
2. Council approve the creation of a Titanic Trust Account;
3. Council approve transfer of the remainder of the White Star Ocean Steam Navigation account from Royal Trust to HRM, to be deposited in the Titanic Trust Account. Interest on this trust account would be transferred annually into the Titanic Commemorative Reserve to be used for perpetual upkeep and maintenance of HRM owned Titanic victim grave sites.

BACKGROUND

Reserves have long been used by HRM and its predecessors to assist in planning, saving and smoothing of expenditures. The documentation of the policies and practices surrounding individual reserves is required by Council. The Reserves Policy states that “reserve funding is incorporated into a financial plan as an integral part of the operating and capital budgets.” It also states that each Reserve Business Case shall clearly define the:

- >Purpose
- >Source and application of funds
- >Expected time line and any appropriate maximum amount
- >Projected annual contributions, withdrawals and balances

The Reserves Policy also makes clear that all reserves will be centrally administered and that interest shall be paid for any reserve funds used for operations.

DISCUSSION

On October 4, 2001 Mayor Peter Kelly and staff met with Mr. Alan Ruffman to discuss a number of issues related to the commemoration of significant Titanic sites. At the close of the meeting it was agreed by all parties that it would be advantageous for the municipality to take a more proactive role and responsibility with respect to four Titanic issues: creation of a municipal titanic reserve; encouraging partnerships and donations; investigating the possible transfer of the White Star Ocean Steam Navigation Trust; and enhancing the use and tracking of funds for cultural tourism purposes. The White Star Ocean Steam Navigation Trust account was established with Royal Trust in 1929 to be used for perpetual upkeep and care of burial plots of Titanic victims. The balance in this account is currently \$23,362. On February 26, 2002 a follow-up meeting was held with Mr. Alan Ruffman and members of staff to discuss and reaffirm HRM’s commitment to four objectives:

- Creation of a reserve to ensure ongoing transparency of donated amounts and uses.
- Re-start promotion to pursue cost sharing / partnership opportunities.
- Facilitate transfer of remainder of White Star Ocean Steam Navigation Trust from Royal Trust to HRM.
- Create work order system to track specific Titanic grave site costs.

This report is developed to complement the Heritage Tourism Strategy as approved by Council. Its main intent is to provide for the care and preservation of Titanic Commemorative sites throughout HRM, including the Titanic Grave Sites and sites of significance associated with the Titanic within Halifax Regional Municipality.

BUDGET IMPLICATIONS

The proposed transfer from the Heritage and Cultural Tourism Reserve and annual transfer from the repatriated White Star Ocean Steam Navigation Trust account places no impact on the Operating Budget.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Financial Management Policies of the Municipality, 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.

The recommended actions are directly linked to the Culture and Heritage Tourism Business Plan. Strategic Outcome #2 is defined as increasing public understanding of cultural and heritage assets of the region. The primary vehicle for achieving this outcome to date has been the development of heritage tourism partnerships with the community. The partnerships are enhanced through the provision of four services: heritage tourism advice, facility management practices, access to education and training opportunities; and, assistance in marketing and web site development.

ALTERNATIVES

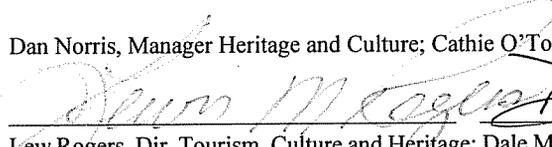
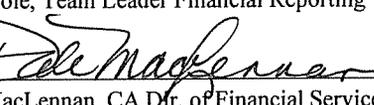
There are no recommended alternatives.

ATTACHMENTS

1) Titanic Commemorative Reserve Business Case

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: Dan Norris, Manager Heritage and Culture; Cathie O'Toole, Team Leader Financial Reporting

Report Approved by:  
Lew Rogers, Dir. Tourism, Culture and Heritage; Dale MacLennan, CA Dir. of Financial Services

Titanic Commemorative Reserve Business Case

PURPOSE:

The purpose of this report is to create a Titanic Commemorative Reserve. This would be the first step and the foundation for addressing four issues identified in the report to Council supporting the creation of this reserve. The purposes of the Reserve are:

- 1) to ensure ongoing transparency of donated funds and uses of these funds;
- 2) to facilitate partnerships and donations from public, private, corporate and non-profit donors;
- 3) to guide the expenditure of funds on all sites of significance related to the Titanic and,
- 4) to commemorate the positive efforts made by citizens of Halifax to respond to this tragedy.

SOURCE of FUNDS:

It is proposed that there be three potential funding sources:

- 1) public, private, corporate and non-profit donors;
- 2) an annual transfer from the Heritage and Cultural Tourism Reserve of \$25,000;
- 3) annual interest earned on the Titanic Trust account (repatriated White Star Ocean Steam Navigation Trust)

APPLICATION of FUNDS:

It is proposed here that the funds be applied for:

- 1) care and maintenance of existing titanic monuments, markers and interpretive panels;
- 2) development and construction of new monuments, markers and interpretive panels to commemorate significant sites that have been identified, but not marked to date;
- 3) design and publication of interpretive materials;
- 4) efforts to seek new donors.

TIME LINE:

It is proposed that the reserve fund and repatriated Titanic trust account be on-going.

MAXIMUM AMOUNT:

It is proposed that the maximum amount of the reserve be set at \$100,000. This will facilitate a number of minor projects each year and one major capital project approximately every four years.

PROJECTED ANNUAL CONTRIBUTIONS:

The Projected annual contributions are:

- 1) transfer from Heritage and Cultural Tourism Reserve of \$25,000;
- 2) transfer from the Titanic Trust of approximately \$1200 per year;
- 3) corporate donations of approximately \$5000 per year;
- 4) public donations of approximately \$1000 per year.

APPROVAL PROCESS:

All requests for funding from the reserve must be initiated by Tourism, Culture & Heritage and confirmed by Financial Services prior to going to Council for authorization.