

HALIFAX

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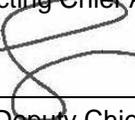
Item No. 14.1.5
Halifax Regional Council
May 10, 2016

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by 

SUBMITTED BY:

John Traves, Q.C. Acting Chief Administrative Officer

Original Signed by 

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: May 3, 2016

SUBJECT: Potential Capital Contribution to the Army Museum

ORIGIN

At the February 16, 2016 meeting of Halifax Regional Council (Item 15.1) Councillor Mason tabled the following motion: that Halifax Regional Council request a staff report regarding a possible one time capital contribution to the Army Museum for \$75,000 in matching funds, contingent on successful fundraising from Federal and/or Provincial sources.

LEGISLATIVE AUTHORITY

HRM Charter, Section 79 (1) (av) respecting grants and contributions.

RECOMMENDATION

It is recommended that Halifax Regional Council not provide the funding requested by the Army Museum, Halifax Citadel.

BACKGROUND

The above motion was brought forward as a result of a letter sent by the Vice Chair of the Army Museum, Halifax Citadel (hereinafter referred to as "the Museum") to the Mayor's Office. The letter includes a request for \$75,000 toward the development of an installation at the Museum to commemorate the Second World War. At this stage, no other written information has been received from the proponent in relation to this specific request.

Located in the Cavalier Building of the Halifax Citadel, the Museum is a registered charity that operates under a fee-for-service agreement with Parks Canada. Operating revenues for the facility are comprised primarily of government grants and public donations. The museum houses an extensive collection of artefacts and archival material related to Nova Scotia's military history.

The Museum has approached the municipality for funding support in previous years, through the Community Grants Program.

In 2011, the Museum was awarded a project grant in the amount of \$3,500 toward construction of a scale model of Melville/Deadman's Island in relation to the War of 1812 commemorative. The grant was conditional upon HRM's contribution not to exceed 50 percent of the project costs. This funding was approved at the May 22, 2012 Regional Council Meeting (Item 11.3.1 - HRM Community Grants Program 2012-2013: Recommended Awards).

The Museum requested a \$25,000 capital grant through the Community Grants Program in 2013/14 to support construction of a scale model for the *Vimy & Beyond* exhibition. The request was declined funding at the June 10, 2013 meeting of the Grants Committee, primarily because the project was deemed ineligible for a capital grant.

DISCUSSION

In the upcoming six years, Canada will commemorate two significant anniversaries - the Centennial of the First World War (1914-1918) and the 75th Anniversary of the Second World War (1939-1945). As noted by the proponent, the 75th Anniversary of the Second World War is an important event, as it will be the last anniversary that many veterans will be able to attend. In addition, the military has historically played a vital cultural and economic role in Halifax.

The museum had indicated previously that the municipality may be approached as a major sponsor for a project to commemorate the anniversary. To that end, the Museum is requesting a one-time contribution of \$75,000. Initially, the request was to provide funding of \$25,000 per year over a three year period. However, the Museum has indicated that a single payment may allow the group to take advantage of a Federal funding program that could double Halifax's contribution, hence the request for a one-time investment of \$75,000. At present, the total estimate for completion of the exhibit is \$225,000, with an additional \$225,000 of in-kind support required.

As noted in the Background section of this report, a formal request for the \$75,000 grant has been made through a letter sent to the Mayor's Office in September 2015. No application, detailed proposal, or other supporting documentation has been received from the Museum.

The municipality does not have a formal grant program that can accommodate a funding request of this size. Eligibility criteria for the Community Grants Program provides for program grants to a maximum of \$5,000 and capital grants to a maximum of \$25,000. In the absence of an itemized breakdown of project-specific costs, the eligibility of this request for consideration under the Community Grants Program as a capital grant cannot be determined. Further, the application deadline for the upcoming intake was on March 31, 2016.

The Community History category of the Grants Program is over-subscribed annually, in part due to capital funding requests from registered heritage properties, and is expected to increase in anticipation of upcoming commemorative anniversaries, notably the 100th anniversary of the Halifax Explosion, the 100th anniversary of the end of WWI, and the 150th anniversary of Confederation. Although the Halifax Explosion centennial has a separate designated grant program the maximum value of a grant is \$10,000.

Previously, Regional Council has received other requests for funding support in amounts that exceed the threshold of Community Grants and other program guidelines. Regional Council does have authority under the HRM Charter to consider requests for funding from charitable organizations, including community and recreational organizations, on a case by case basis. In this case, a similar approach could be employed as those used to assess recent requests for significant levels of funding. This approach would include a request from the proponent for additional information, after which a detailed assessment of the proposal submitted; evaluation of the project based on linkage to municipal objectives, mandate and priorities; and an exploration of potential funding options could be conducted.

The March 2016 federal budget announced new funding for arts, culture and heritage which the Army Museum could potentially investigate. In particular two new funds may be possible funding sources:

- The Canada Cultural Spaces Fund, which will provide \$168.2 million over 2 years to renovate and construct arts and heritage facilities; and
- A fund commemorating Canada's 150th birthday, which will flow \$150 million through Regional Development Agencies (e.g. ACOA) to municipalities and community organizations for improvements to community and cultural infrastructure.

These funds may also support some HRM arts and culture initiatives. As per a Council policy adopted on March 31, 2009, HRM will only endorse a community-based project once it has been ascertained that there are no HRM projects competing for the same funding program.

FINANCIAL IMPLICATIONS

If Regional Council overturns the staff recommendation, a funding source would need to be identified within the existing 2016-17 operating budget, as support for this request was not included in the budget for the current fiscal year.

RISK CONSIDERATION

There are no significant risks associated with the recommendation in this Report. The risks considered rate Low. In the event that the Museum is asked to approach the municipality with a detailed business plan, a risk assessment will be conducted.

COMMUNITY ENGAGEMENT

Not applicable.

ENVIRONMENTAL IMPLICATIONS

Not applicable.

ALTERNATIVES

1. Regional Council could make a motion to provide one time funding to the Army Museum. In that event, funding should be contingent on receipt by the municipality of a detailed proposal including business case, as well as successful fundraising by the proponent from Federal and/or Provincial sources. As noted in the Financial Implications section, a funding source would need to be identified for this un-budgeted item and the proposal would need to be provided to the Audit and Finance Standing Committee.

2. Regional Council could consider making a contribution to the Army Museum at a lesser amount than the \$75,000 request. Although this project would not be deemed eligible for a capital grant under the Community Grants program, a contribution of \$25,000 would be consistent with the ceiling allowed for capital grants under that program. Funding should be contingent on receipt by the municipality of a detailed proposal including business case, as well as successful fundraising by the proponent from Federal and/or Provincial sources. As noted in the Financial Implications section, a funding source would need to be identified for this un-budgeted item and the proposal would need to be provided to the Audit and Finance Standing Committee.

ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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