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Item No. 12.2.1
Audit & Finance Standing Committee
September 16, 2020

TO: Chair and Members of Audit & Finance Standing Committee

- Original Signed -

SUBMITTED BY:

Jacques Dubé, Chief Administrative Officer

DATE: August 20, 2020

SUBJECT: Assistance for the Beirut Explosion

ORIGIN

On August 18, 2020, Councillor Cleary brought forward the following motion, which was passed by Regional Council:

THAT Halifax Regional Council consider pledging up to \$200,000 toward Beirut explosion assistance and direct the Chief Administrative Officer to work with the Lebanese Community and/or Honorary Consul for Lebanon to determine the best use of funds and refer the matter to the Audit and Finance Standing Committee to identify a source of funds.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Council approved, Dec 11, 2012, that all budget increases are to be presented to the Audit and Finance Standing Committee, prior to submission to Council.

Halifax Regional Municipality Charter

2 The purpose of this Act is to (a) give broad authority to the Council, including broad authority to pass by-laws, and respect its right to govern the Municipality in whatever ways the Council considers appropriate within the jurisdiction given to it; (b) enhance the ability of the Council to respond to present and future issues in the Municipality; and (c) recognize the purposes of the Municipality set out in Section 7A.

7A The purposes of the Municipality are to (a) provide good government; (b) provide services, facilities and other things that, in the opinion of the Council, are necessary or desirable for all or part of the Municipality; and (c) develop and maintain safe and viable communities.

RECOMMENDATIONS ON PAGE 2

79A(5) In the event of ambiguity in whether or not the Municipality has the authority under this or any other Act to spend money or to take any other action, the ambiguity may be resolved so as to include, rather than exclude, powers the Municipality had on the day before this Section came into force.

RECOMMENDATION

It is recommended that the Audit and Finance Standing Committee recommend that Halifax Regional Council:

1. Provide a donation of \$100,000 toward Beirut explosion assistance. Funds will be provided through the Lebanese Consulate to the Canadian Red Cross, which is currently supporting humanitarian efforts in Beirut as a result of the explosion. Funds will come from the General Contingency Reserve Q421.
2. Provide in-kind support by allowing registered Canadian charitable organizations currently collecting donations for Beirut, such as the Canadian Red Cross, to set up donation collection sites at HRM owned and operated facilities and use HRM social media channels to promote donation collection sites.
3. Direct the CAO to establish a fair and transparent program to assess and evaluate future financial requests that support national and/or international disaster relief efforts. This program would outline a maximum funding limit, eligibility criteria and a detailed assessment of the proposal submitted, evaluation of the proposal based on linkage to municipal objectives, mandate and priorities, and an exploration of potential funding options.

BACKGROUND

On August 4, 2020, two strong explosions occurred in the Lebanese City of Beirut, which originated from the Port of Beirut and devastated many parts of the city. The blast resulted in more than 200 fatalities and 6000 injuries. Extensive infrastructure damage has left more than 300,000 people homeless and many health facilities, including hospitals, inoperable. This catastrophe follows several multi-faceted crises facing the country, including the ongoing COVID-19 pandemic, which had already put Lebanon's health system, social services, and economy under severe strain.

In the immediate aftermath of the explosion, several humanitarian organizations mobilized quickly to respond to the needs of those most affected. The Canadian Federal Government has provided \$30 million to date to address immediate humanitarian needs and support efforts for early recovery. Through existing Global Affairs Canada programs and established partnerships, the funding will go to trusted humanitarian partners on the ground, including United Nations humanitarian agencies and the Lebanese Red Cross, via the Canadian Red Cross, to help meet the needs of people affected by this crisis.

Several Canadian Provinces have made financial contributions to Lebanon since the explosions, including the Province of Nova Scotia. Nova Scotia donated \$1 million to the Lebanese Red Cross through the Canadian Red Cross to help support those affected by the explosion in Beirut. There is no municipal effort being coordinated to collect funds for Beirut from municipalities at either the national level through the Federation of Canadian Municipalities (FCM) or the provincial level through the Nova Scotia Federation of Municipalities (NSFM).

Nova Scotia has strong connections to Lebanon, and Halifax in particular has a large community of Lebanese residents who have and continue to contribute greatly to the city. As a result of the explosions, individuals and organizations in Halifax have started fundraising initiatives to support Beirut. The Saint Antonio's Antiochian Christian Orthodox Church is receiving donations through a [GoFundMe Page](#) and has raised \$31,000 as of the writing of this report. The donations will be directed to the Lebanese Red Cross, Lebanon Food Bank, Saint George Hospital University Medical Center and other organizations on the ground helping to meet food, shelter and medical needs of those directly affected by the crisis. A second fundraiser was started by a Halifax teenager, in partnership with the Canadian Red Cross, through a

website called "[Halifax to Beirut with Love](#)". As of August 31, \$80,000 has been raised by this initiative, with a goal of \$100,000.

The Canadian Red Cross flows financial contributions through to the Lebanese Red Cross and the Palestine Red Crescent Lebanon Branch. The Red Cross is working to coordinate emergency relief and recovery efforts in Beirut to help people in affected areas as quickly as possible. Current activities being supported by donations to the Red Cross include mobile health outreach, support to health facilities, and strengthening of health systems. These activities will evolve based on emerging needs. The Red Cross indicates fundraising costs related to any emergency appeal will not exceed five per cent.

DISCUSSION

The municipality does not have a formal program or policy to provide financial support when national or international disasters occur. To date, the municipality has not played a role in financially supporting international disaster relief efforts. Without a formalized role and program for such support, funding requests of this size cannot be assessed in an equitable and transparent matter as eligibility criteria have not been established to allow for: a detailed assessment of the proposal submitted; evaluation of the proposal based on linkage to municipal objectives, mandate and priorities; and an exploration of potential funding options.

In the absence of a policy, program or process to guide the municipal response to a request of this kind, it is at Council's discretion to make a financial contribution to a registered Canadian charitable organization. It is rare for contributions to be made to non-profit or charitable organizations or projects located outside the region, but exceptions have been made in the past. In 2016, Regional Council voted to provide a \$10,000 financial contribution to the Fort McMurray fire relief effort, which was in response to an organized effort by the NSFMC (headquartered in Halifax) of which HRM is a member. A contribution towards the Vimy Memorial was granted to the Royal Canadian Legion Nova Scotia Nunavut Command (headquartered in Dartmouth) and HRM participated in the Downie Wenjack Legacy Room Project through a contribution to the Tides Canada Foundation (Toronto).

In addition to the absence of a formal program, the current financial situation of the municipality due to impacts caused by COVID-19 creates challenges for the municipality to support a request of up to \$200,000. HRM has a serious financial deficiency in its budget and cash flow position. Over the remainder of the fiscal year the organization will have to closely monitor economic changes, the potential for additional COVID-19 waves, budget progress, the status of tax payments/deferrals, and ongoing liquidity. The current financial situation is very volatile and uncertain and HRM may have difficulties meeting its financial obligations and providing for essential services.

The unprecedented scale of the disaster caused by the explosions in Beirut, along with the strong ties that exist between Halifax and Lebanon, provide a basis for Council to contribute to the relief effort. Although the current financial situation of the municipality, along with the absence of a formal program to support international disaster relief efforts, make it challenging to support a request of \$200,000, HRM can show support for Lebanon and the City of Beirut by matching other funds raised on behalf of the Canadian Lebanese Community in the municipality, and through in-kind support. HRM has provided in-kind support during previous natural disasters through fundraising drives coordinated by Halifax Regional Fire for Hurricane Katrina, allowing the Red Cross to collect donations at HRM events for the Fort McMurray wildfires, and assigning expert staff after the tsunami in Sri Lanka through the FCM Municipal Cooperation Program.

FINANCIAL IMPLICATIONS

It is recommended that funding from the General Contingency Reserve Q421 be used to fund this one-time contribution. This reserve withdrawal does not conform to the exact language or purpose of the general contingency reserve, however does function as a transfer from reserve to an external agency.

Budget Summary: General Contingency Reserve Q421

Projected Available Balance as of June 30/20 (Q1)	\$ 11,983,223
Unbudgeted withdrawal as per recommendation	\$ <u>100,000</u>
Projected Available Balance, March /2021	\$ 11,883,223

Risk Reserve – General Contingency Reserve Q421 is to receive the annual operating surplus of the Municipality as prescribed by the Provincial Financial Accounting and Reporting Manual, and can be used to fund operating costs, offset deficits, or fund new operating and/or capital expenditures. This is an unbudgeted withdrawal from the reserve.

RISK CONSIDERATION

There are no significant risks associated with the recommendation in this Report. The risks considered rate Low.

COMMUNITY ENGAGEMENT

There was no formal community engagement done in the development of this report, but staff have consulted with the Honorary Consul of Lebanon for feedback on the approach to providing assistance and have reached out to other fundraising initiatives and organizations for information.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications from this report.

ALTERNATIVES

1. Halifax Regional Council may choose to match a different amount of funds, up to the \$200,000 suggested in the Motion.
2. Halifax Regional Council may choose not to make a financial contribution to this fundraising initiative.

ATTACHMENTS

None.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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