



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall
1229 Esquimalt Road
Esquimalt, B.C. V9A 3P1

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Title: Funding Request - Habitat Acquisition Trust, Staff Report FIN-18-011

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Attachments: 1. HAT Funding Request, 2. FIN-16 (Permissive Tax Exemption Council Policy), 3. ADMIN-32 (Local Grants Council Policy)

Date	Ver.	Action By	Action	Result
6/11/2018	1	Council	approved	Pass

REQUEST FOR DECISION

DATE: June 4, 2018 Report No. FIN-18-011

TO: Laurie Hurst, Chief Administrative Officer

FROM: Ian Irvine, Director of Financial Services

SUBJECT:
Funding Request - Habitat Acquisition Trust

RECOMMENDATION:
It is accepted procedure that staff not make recommendations on funding requests. Options available to Council are listed below under **ALTERNATIVES**.

RELEVANT POLICY:
Council Policy FIN-16 Permissive Tax Exemptions
Council Policy ADMIN-32 Local Grants

STRATEGIC RELEVANCE:
Continue to enhance the health and liveability in the community

BACKGROUND:
Staff received a local grant application from the Habitat Acquisition Trust requesting \$6,500 in additional financial support. If Council elects to approve the request, funding could come from the Local Grants account or the Contingency account within the 2018 Financial Plan.

The Local Grants account is funded each year within the Financial Plan approved by Council. The existing Council Policy ADMIN-32 Local Grants states that the purpose of the grant program is to “financially assist community groups and not-for-profit societies and organizations in achieving their objectives. Local grant funding is intended to provide support to societies, organizations and committees with the expectation that alternate sources of funding will be secured.”

The Contingency account is set up each year with a balance which is intended to cover any unforeseen or unexpected expenditures. Any funds that remain in the Contingency account at the end of each year are transferred to accumulated surplus for funding future significant capital projects or acquisitions.

In 2018, Council granted the Habitat Acquisition Trust a 50% permissive tax exemption which will be a total of \$6,565 during the 2018 taxation year. Of this amount, \$3,691 will represent an exemption of municipal property taxes. This 50% exemption was a reduction from the 2017 taxation year when Council approved a full exemption for the Trust.

In 2013, Council Policy FIN-16 Permissive Tax Exemptions was revised at Council’s request. One of the approved changes was the inclusion of a clause which would allow Council to deny any local grant application from an organization receiving a permissive tax exemption within the same taxation year. As the Habitat Acquisition Trust has been granted a 2018 permissive tax exemption, Council could apply section 4 of the current Council Policy FIN-16 Permissive Tax Exemptions and deny their funding request.

During September 2017, Council approved a similar grant based on a request from the Esquimalt Neighbourhood House Society. If Council approves additional funding to support this request, it is again overriding the current Council Policy and may be communicating to all other permissive tax exemption applicants that a secondary source of funding is available from the Township.

ISSUES:

1. Rationale for Selected Option

The allocation of any local grant funding is at the discretion of Council.

2. Organizational Implications

If the decision is made to provide funding in this instance, Council should also consider revising the Council Policy to eliminate the statement which prevents organizations from applying for both forms of local grant funding.

3. Financial Implications

Within the 2018 Financial Plan, an amount of \$140,000 was allocated for the purposes of issuing local grants. To date, local grants totaling \$122,225 have been approved with a remaining balance of \$17,775 in the account as of the date of this report.

The Contingency account has an initial balance of \$250,000 within the approved Financial Plan. Currently, there are sufficient funds in the account to fully support this request.

4. Sustainability & Environmental Implications

There are no sustainability or environmental implications of this decision.

5. Communication & Engagement

Whether or not funding is approved, a letter will be sent to the Habitat Acquisition Trust advising them of Council's decision. If a payment is approved, a cheque will be generated and accompany the letter.

If Council requests a policy revision, an updated draft document will be presented to Council and sent to all current permissive tax exemption applicants once it has been approved. Staff will also ensure that the approved Council Policy would be available on the Township's website.

ALTERNATIVES:

1. That Council approve funding in full and allocate the amount of \$6,500 to come from the Local Grant account.
2. That Council approve funding in an amount less than requested with funds to come from the Local Grant account.
3. That Council amend the Council Policy FIN-16 Permissive Tax Exemptions to allow for organizations to apply for a permissive tax exemption and a local grant in the same taxation year.
4. That Council deny the request for funding.