



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 14.4.1
Halifax Regional Council
March 21, 2017

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Commissioner Steve Craig, Chair, Board of Police Commissioners

DATE: March 6, 2017

SUBJECT: **Creation of the Halifax Regional Police Foundation (HRPF)**

ORIGIN

Board of Police Commissioners recommendation approved at the November 19, 2013 meeting of Halifax Regional Council requesting a staff report on the development of a Halifax Regional Police Foundation.

Motion approved at the February 27, 2017 meeting of the Board of Police Commissioners.

LEGISLATIVE AUTHORITY

HRM By-law No. P-100 Respecting the Board of Police Commissioners for the Halifax Regional Municipality

Section 8(2) The Board in accordance with the Police Act and HRM Bylaws may carry out any of the following roles and responsibilities:
(c) In consultation with the Chief of Police, review priorities, goals and objectives of the municipal police service;

RECOMMENDATION

It is recommended that the Board of Police Commissioners recommend that Halifax Regional Council:

1. Endorse the establishment of a Halifax Regional Police Foundation (HRPF) under the auspices of the Community Foundation of Nova Scotia;
2. Approve the direction of all future proceeds from the sale of HRP-crested merchandise and related logoed items to the Foundation;
3. Endorse the transfer of all non-HRM budgeted monies presently under the control of the Chief of Police intended for community-related programming to the new Foundation once established.

BACKGROUND

The Board of Police Commissioners considered the February 22, 2017 staff report (Attachment 1) at the February 27, 2017 meeting.

Refer to the Background section of the February 22, 2017 staff report (Attachment 1) for further information on the background of this matter.

DISCUSSION

Chief Jean-Michel Blais, Halifax Regional Police, presented the February 22, 2017 staff report (Attachment 1) at the February 27, 2017 Board of Police Commissioners meeting.

The Board approved the staff recommendation as presented in the February 22, 2017 report (Attachment 1).

RISK CONSIDERATION

Refer to the Risk Consideration section of the February 22, 2017 staff report (Attachment 1).

FINANCIAL IMPLICATIONS

Refer to the Financial Implications section of the February 22, 2017 staff report (Attachment 1).

COMMUNITY ENGAGEMENT

Halifax Board of Police Commissioners meetings are open to public attendance. The agenda, reports and Board minutes are posted on Halifax.ca.

Refer to the Community Engagement section of the February 22, 2017 staff report (Attachment 1) for discussion on community engagement specific to the HRPF.

ENVIRONMENTAL IMPLICATIONS

None identified.

ALTERNATIVES

None identified by the Board of Police Commissioners. Refer to the February 22, 2017 staff report (Attachment 1).

ATTACHMENTS

Attachment 1 Staff recommendation report dated February 22, 2017

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.

Report Prepared by: Jennifer Weagle, Legislative Assistant, Office of the Municipal Clerk, 902.490.6517

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B3J 3A5 Canada

**Board of Police Commissioners
February 27, 2017**

TO: Chair and Members of the HRM Board of Police Commissioners

Original signed

SUBMITTED BY:

Chief Jean-Michel Blais, Halifax Regional Police

DATE: December 9, 2016

SUBJECT: Creation of the Halifax Regional Police Foundation (HRPF)

ORIGIN

At the November 19, 2013 meeting of Halifax Regional Council, the recommendation from the Halifax Board of Police Commissioners requesting a staff report on the development of a Halifax Regional Police (HRP) Foundation was approved as follows:

"That Halifax Regional Council requests a staff report considering the establishment of a Halifax Regional Police Foundation. The staff report should:

- 1) *Consider existing Police Foundations in other jurisdictions such as Calgary; Vancouver; Edmonton; Abbotsford; Delta, B.C; Montreal; London; Ontario, and Winnipeg; and*
- 2) *Examine the proposed administrative and governance structures regarding the establishment of a Police Foundation as outlined in the discussion section of the October 28, 2013 report from the Board of Police Commissioners."*

LEGISLATIVE AUTHORITY

- *HRM Charter, Section 21 respecting the procedures of Advisory Committees.*
- *HRM By-Law P-100 Respecting the Board of Police Commissioners for the Halifax Regional Municipality in particular section 8(2)(c): "The Board in accordance with the Nova Scotia Police Act and HRM Bylaws may in consultation with the Chief of Police, review priorities, goals, and objectives of the municipal police service."*

RECOMMENDATION

It is recommended that the Board of Police Commissioners recommend that Halifax Regional Council:

- 1) *Endorse the establishment of a Halifax Regional Police Foundation (HRPF) under the auspices of the Community Foundation of Nova Scotia;*

- 2) Approve the direction of all future proceeds from the sale of HRP-crested merchandise and related logoed items to the Foundation;
- 3) Endorse the transfer of all non-HRM budgeted monies presently under the control of the Chief of Police intended for community-related programming to the new Foundation once established;
- 4) Endorse the creation of an incorporated society for all non-HRM employee-generated funds intended for various social endeavours.

BACKGROUND

In May 2013, it was discovered that the Benefits Administrator for the Halifax Regional Police Association (HRPA) had defrauded HRPA of over \$600,000 employing various techniques, including using a chequing account that was intended for HRP's Annual Employee Gala which was comprised of non-HRM funds. At the request of HRP, the RCMP conducted an investigation leading to charges against the HRPA employee. She was subsequently found guilty and sentenced to a jail term in a federal penitentiary.

Partly in response to the above, at the October 7, 2013 meeting of the Board of Police Commissioners, then-Commissioner Philip Reid gave a presentation proposing the establishment of an HRP Foundation that would manage public donations to the police service intended for community programming not normally covered through HRM funds. This Foundation would be used to fund ancillary community-based programs and projects. Examples of such specific support would be the purchasing of electronic equipment for after-school community programming, sports equipment and other supplies to enhance existing or nascent programs. Support would not be provided for sponsorships of community groups and entities, but for specific initiatives and purchases.

Commissioner Reid outlined two options with regard to the administration of a proposed HRP Foundation: 1) an independent registered charity similar to the Calgary Police Service model or; 2) the creation of a foundation fund under the umbrella of the Community Foundation of Nova Scotia (CFNS).

Regardless of the model chosen, Commissioner Reid proposed that the HRP Foundation be governed by a board of volunteer directors with representation from the Board of Police Commissioners, the Halifax Regional Police executive and other community representatives to ensure full transparency and diversity of opinions. In the event that the option involving CFNS was adopted, the latter organisation would handle all financial transactions, receipting as well as complex gifting such as stock, life insurance or real-estate donations.

DISCUSSION

The creation of a Halifax Regional Police Foundation would allow for a transparent vehicle in which to channel funds to community-based projects, programs, purchases and initiatives, thereby allowing for proper governance and accountability, outside of regularly budgeted police, Public Safety Advisor and other HRM departmental community programming. Several Canadian police services have also developed technological solutions-based funds whereby the private sector can contribute to police-specific technological research. This could be an eventual second aspect of the Foundation, although the primary function would be to act as a permanent endowment for community-based programs promoting public safety.

Consequently, the creation of the HRP Foundation would allow for two specific areas of activity:

- 1) Community-based policing projects ancillary to those projects normally financed by HRM (through individual business unit initiatives and/or coordinated through the Public Safety Advisor) and HRP;

2) Direction of the proceeds arising from HRP's brand and intellectual property (name and all related symbols) through the retail sale of HRP merchandise the proceeds of which would be used to further enhance said community projects.

The creation of such a Foundation would also allow HRP employees to promote a single charitable endowment linked to the aims of the organisation through regular in-house fundraisers already held by HRP (50/50 draws, casual Fridays, etc.). It would further allow outside organisations that request speaking engagements of HRP employees to offer stipends or honoraria to the HRP Foundation instead of to other charitable organisations as is presently the case.

Many police agencies in Canada (Calgary, Vancouver, Edmonton, Abbotsford, Delta, Montreal, London, Winnipeg and the RCMP) have created similar police-inspired and police-led foundations. These foundations have enabled police services in these jurisdictions to leverage donations to implement the funding of programs that are ancillary to the primary policing mandate of community safety. The programs are collaborative initiatives between the foundations and their respective community partners. The following is a brief synopsis of some of the individual foundations:

Calgary Police Foundation:

The Calgary Police Foundation (CPF) was established to partner exclusively with the Calgary Police Service (CPS) and fund programs that focus on education, prevention and early intervention. Funded programs are collaborative initiatives between CPS and its community partners. The CPF targets areas where the need is greatest and programs have the most impact on children, youth and families. The Calgary Police Foundation is an independent registered charity and offers programs that provide strong leadership opportunities and positive role models to the city's youth.

Vancouver Police Foundation:

The Vancouver Police Foundation promotes alternative funding to inspire innovative community partnerships with the Vancouver Police Department. These partnerships enhance public safety, foster professional development and fund unique neighbourhood initiatives with the intention of making Vancouver the safest major city in Canada.

RCMP Foundation:

In 1994, the RCMP Foundation (formerly known as the Mounted Police Foundation) was initially formed as an independent arms-length organization through a collaborative effort with The Walt Disney Company. The purpose of this foundation was and continues to be to support the work of RCMP members across Canada who voluntarily develop and coordinate programs with local community groups in an effort to enhance the lives of Canada's youth at risk. A secondary function of the Foundation is to ensure that the RCMP's brand is protected and promoted, while also raising funds for various community programs.

Each of these foundations is run by a Board of Directors comprised of police personnel and highly prominent community and business representatives ranging from the superintendent of a school board to the president of an international corporation. The Halifax Regional Police Foundation will want to take a similar approach by ensuring that not only are HRP and the HRM Board of Police Commissioners represented on the Board of Directors but also private business, government and citizen groups from HRM. If the Foundation is established under the auspices of the Community Foundation of Nova Scotia, a Steering Committee, comprised of representatives from the same sectors, would be required, although their responsibilities will be significantly less.

HRP recognizes that the Board of Directors or Steering Committee may also wish to reserve a seat for the Public Safety Advisor in order to allow the Public Safety Office to bring forward potential community projects that may be relevant to the Foundation's mandate.

As indicated, the Foundation may be a stand-alone entity or created under the umbrella of CFNS. There are subtle and significant differences between the two methods as outlined below:

Activities and costs	Stand-alone, separate foundation	Foundation under CFNS
Legal incorporation	Required at a potential cost between \$1,000 - \$2,500	No cost
Charitable status	Yes, between 6 to 18 months	Yes, immediately
Board of Directors	Yes	Only if desired by donors. Will be run by a Steering Committee otherwise.
Policy governance	Yes, at significant cost, plus volunteer or staff time to develop	No – fund is governed by CFNS policies and best practices
Bank account	Yes, with applicable monthly costs	No, as all financial transactions are paid for by CFNS
Fund Manager	Yes, with salary costs and time to determine best individual	No, included in CFNS costs of 1.77%
Marketing materials	Yes, at the cost of the foundation	Yes, developed with the expertise of CFNS
Liability insurance	Yes, with typical costs varying from \$1-2,000 annually	No, covered by CFNS
Annual audits	Yes, with applicable costs	No, included under CFNS
Annual provincial filings	Yes, with applicable costs in staff time and money	No, included under CFNS
Governance	Regular meetings of the Board required to ensure governance	Meetings held between CFNS and the Steering Committee as per requirements to discuss Foundation business
Risk management	Board responsible for all risk management	CFNS is responsible for all regulatory filings and risk management
Fees	As described above	Endowment fees: 1.77% Flow-through fees: 1.00%
Annual minimum disbursements: endowment money	As determined by Board	Minimum of 3.5% per annum must be distributed by the Foundation every year.
Annual minimum disbursements: flow-through money	As determined by Board	Total amount minus 1% administrative charge
Distribution of monies	As determined by Board	Must be to a recognized charitable group to receive money

The advantages of working with CFNS would be to enable the timely establishment of the Foundation, minimize costs and provide an immediate and robust fund management process. As all monies placed in the Foundation for the various programs would originate from outside sponsorships, donations and employee contributions, there would be no financial implications for HRM. All costs related to the management of the foundation would come from administrative fees from within the Foundation itself. Fees for these services are 1.77% of the fund balance of which 0.77% goes to the Fund Manager and 1% to CFNS for its administrative services.

As per the above table, further advantages in having the Foundation reside within CFNS are as follows:

- The obtaining of charitable status is immediate as opposed to taking six to 18 months as a separate foundation and the related costs associated to its establishment;
- Policies need not be developed as CFNS policies would dictate how the Foundation operates;
- All financial transactions are handled by CFNS reducing costs and risks;
- CFNS provides design assistance for any grant programs as well as all marketing materials (on-line and in paper);
- No separate annual audits or director liability insurance required as both are covered by CFNS;
- All administrative burdens are covered by CFNS, therefore not requiring a Board of Directors to ensure governance, but a Steering Committee to determine priorities.

CFNS is also very well known to HRM and is already the custodian of the Halifax Black Firefighter Association Fund as well as the recently established *Conseil communautaire du Grand-Havre* Fund. The latter two funds were established following the settlement of legal claims against HRM and involved the contribution of specific amounts of seed money by HRM, which is not the case for the HRP Foundation.

In comparison, the Calgary model, while still an option, involves significant set-up cost and time while opening the HRP Foundation up to a myriad of potential risks, including legal and tax risks. Regarding the establishment of a separate foundation, the following points would have to be taken into account:

- Initial set-up costs from \$1,000 - \$2,500 or even more;
- Set-up time of between six and 18 months;
- Requirement for a Board of Directors, liability insurance and appropriate policies to lead the fund and ensure proper governance;
- Financial controls, including setting up a bank account would be required;
- Selection of staff to manage the fund in support of the Foundation.

The advantages of a stand-alone foundation are found in the self-determined flexibility around the distribution of funds as well as the investment of any donations.

Regardless of the option chosen, so as to ensure that donations would be of a proper purpose, a donation acceptance policy would be required to avoid conflicts of interest and any donation the acceptance of which could discredit either HRP or HRM.

As well, in an effort to further enhance, protect and properly manage HRP's brand, an application was sent in 2014 to the Canadian Intellectual Property Office to have HRP's crest duly registered. On April 8, 2015, a certificate was published by the Office confirming that HRM had the exclusive right to the crest, paving the way for HRP, with Council's permission, to manage its brand. This would allow for the sale of various accoutrements and apparel with the HRP logo, the profits of which would benefit the Foundation directly.

The Chief's Office also oversees two (2) non-HRM social funds contributed to by HRP employees, each having a particular social goal:

1) The Halifax Police Department Staff Fund is a collection of proceeds that have accumulated over the past ten (10) years from monies obtained through the sale of confectionary and other food stuffs through coin-dispensed machines located in HRP facilities and paid for directly by employees. As of October 4, 2016, the fund had \$3187 available. Monies are used for registration fees, team shirts and other equipment for HRP employees participating in various charity and sporting events.

2) The Gala Fund is comprised of money used for HRP's annual police Gala to Honour Excellence. Over the years, the fund has increased due to various sponsorships as well as the sale of tickets to the event. As of October 4, 2016, the fund had \$31,869.48 available. Monies used go directly to the actual event to subsidize costs such as the meal, door prizes, advertising and the like.

Neither of these funds will be rolled into the HRP Foundation. It is Staff's proposal that these employee-generated funds be transferred to a single account that will be dedicated to employee events or programs. To ensure proper governance of these monies, including transparency and the effective use of these funds, a society will be incorporated that will have ownership and control of this account. This will require minimal cost and effort.

FINANCIAL IMPLICATIONS

As all monies placed in the Foundation for the various programs would originate from outside sponsorships, donations, proceeds of merchandise sales and various employee initiative contributions, there would be no financial implications for HRM. In the past, funds which have been received from various groups or in recognition of non-core policing services (such as keynote speeches by senior management members) have been channeled to legitimate charities supported by HRP and its members. In the future, such donations would be directed to the HRP Foundation.

Presently, HRP has available the sum of \$40,783.31 as seed money for the Fund. This money comes from the Cops 'N Kids Account which was money used for HRP community programming for children at risk in collaboration with other police agencies. Unfortunately, the program has since become inactive, leaving the money available to be placed in the new Foundation. A second source of monies is the surplus generated from a recent Occupational Health & Safety Conference that was co-sponsored by HRP.

As previously indicated, HRP employees have a Gala Fund and a Halifax Police Department Staff Fund which will not be included in the Foundation as the monies are intended solely for employee-driven recognition and social events and were raised outside of the ambit of police-community events and programming. Inquiries with the CFNS have determined that their foundational architecture is incompatible with such employee recognition funds. As such, it is suggested that an incorporated society be established to ensure proper oversight of the employee-generated monies to be managed through this society under the direction of the Chief's office.

RISK CONSIDERATION

The creation of an HRP Foundation is meant to enhance HRP's contributions to the overall well-being of the communities it serves through the creation of an arm's length entity. The risk level in this work is considered low for both HRP and HRM.

COMMUNITY ENGAGEMENT

The establishment of an HRP Foundation falls under Priority #4 of HRP's 10-Year Strategic Plan (entitled Partnerships and Integrated Community Relationships) with HRP's Vision & Strategic Impact statements as well as one of its core values which read:

Our Vision: To build and maintain confidence, trust and safety in partnership with our communities.

Our Strategic Impact: *To make ongoing and meaningful contributions to the well-being and safety of our communities.*

Core Value - Relationships: *Community relationships are the foundation from which we work.*

It is expected that participation of the public in the HRP Foundation would be broad-based to include potential donors and administrators coming from the communities having an interest in the propagation and continuation of the Foundation's aims.

HRP, through the HRM Board of Police Commissioners, would also engage with the community to understand what issues citizens believe are pressing within their respective communities; HRP would then ensure that proper consideration of the funding of those projects is taken during the decision-making process. Note that several employees of HRP already sit on various charitable organisations' Boards of Directors throughout the Municipality, including HomeBridge, Shelter Nova Scotia, The Salvation Army and United Way Halifax which would allow for further community consultation. Separate application and contribution processes would be developed and coordinated through the Board of Police Commissioners and the Foundation's eventual Board of Directors or Steering Committee.

ENVIRONMENTAL IMPLICATIONS

There are no identified environmental implications.

ALTERNATIVES

The Board may choose to maintain the status quo at which point the funds identified will be expended as the Chief sees fit.

ATTACHMENTS

None.

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

Report Prepared & Approved by: Jean-Michel Blais, Chief of HRP, 902-490-6500