


HALIFAX

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Item No. 14.1.6
Regional Council
June 19, 2018

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by 

SUBMITTED BY: Jane Fraser, Acting Chief Administrative Officer

DATE: February 12, 2018

SUBJECT: Area Rate Review

ORIGIN

Regional Council, July 18, 2017:

Moved by Councillor Streach, seconded by Councillor Whitman

That Halifax Regional Council maintain the area rate for LWF Ratepayers Association at \$0.03 per \$100.00 of residential and resource assessment with the budget for grants to be subject to approval by the North-West Community Council.

Moved by Councillor Streach, seconded by Councillor Whitman

That Halifax Regional Council direct staff to review all relevant policies relating to area rates including the funding of capital assets and the provision of grants and, until that review is completed,

- a. Direct that no additional area rates to be established with the exception of private road maintenance fees, and
- b. Direct that no additional capital assets to be funded through area rates unless they are approved as a capital project by Council.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, excerpts below.

Section 79 (1) The Council may expend money required by the Municipality

for... (k) recreational programs;

(av) a grant or contribution to

...

(v) any charitable, nursing, medical, athletic, educational, environmental, cultural, community, fraternal, recreational, religious, sporting or social organization within the Province, ...

(vii) a registered Canadian charitable organization;

Section 96 (Area Rates and Uniform Charges)

(1) The Council may spend money in an area, or for the benefit of an area, for any purpose for which the Municipality may expend funds or borrow.

(2) The Council may recover annually from the area the amount required or as much of that sum as the Council considers advisable to collect in any one fiscal year by an area rate of so much on the dollar on the assessed value of the taxable property or occupancy assessments in the area.

(3) The Council may provide:

(a) a subsidy for an area rate from the general rate in the amount or proportion approved by the Council;

RECOMMENDATION

It is recommended that Halifax Regional Council

- (1) Direct staff, in consultation with community associations, to update and combine the current Recreation Area Rate Policy and Interim Area Rates Guidelines into policy as outlined in the discussion section of this report under the heading the New Area Rate Admin Order for 2019-2020 and return to Council for consideration of the resulting policy;
- (2) Approve in Principle the Capital Projects (Area Rate Associations) for 2019-20 and 2020-21 listed in Attachment C of this report;
- (3) Approve the Area Rates listed in Attachment A that are located under the heading "Recommended Tax Rates for 2018-19";
- (4) Approve the Musquodoboit Harbour Common Rate and direct staff to provide notice that there is one year for a community group to establish itself and to undertake public consultations for the continuance of this rate, and, if this consultation does not occur, this area rate will not be renewed in 2019-20;
- (5) Discontinue the Hammonds Plains Common Area Rate levied on each of the taxable residential and resource property assessments and direct staff to return with recommendations on the existing surplus; and,
- (6) Direct staff, in consultation with community associations, to return with the area rate budgets for the remaining area rates in Attachment A listed as "Requiring Budget Changes for 2018-19", subject to those budgets excluding
 - a. discretionary grants provided by area rate associations other than those for events, beautification, signage or for existing facilities such as the Windsor Junction Community Centre (WJCC), and
 - b. funding for capital projects included in Attachment D.

BACKGROUND

Area rates have been a common instrument of policy in Nova Scotia for many years, however their use has been gradually evolving in HRM. At the time HRM was created, area rates were a major source of funding for multiple services including fire departments, street lights, crosswalk guards, recreation facilities and programs and community transit. As HRM has grown and evolved many such services have been moved into the general tax rate. For instance, in 2003 fire services, streetlights and crosswalk guards were general rated across the entire region. These were seen as important safety issues and there were many smaller communities that struggled with funding issues due to insufficient area rate revenues. Transit services were originally funded through small local area rates and an urban tax rate. However, this was a barrier to

the provision of a broad regional service and in 2009 the taxation of transit was switched to the current Regional Transit and Local Transit tax rates.

Area rates were also very common in recreation services, especially in the former Halifax County. Following amalgamation in 1996 many area rates were merged into the new urban general tax rates. But facilities outside of the urban core were still funded through a series of area rates. At the time, this approach tended to make practical sense. It allowed individual communities to fund local recreation opportunities while those areas of the municipality without strong access to facilities would not have to share in the cost. Many current recreation facilities were begun through area rates. However, even though many older area rates were being merged into the general tax rates, new area rates were being created for a variety of related services such as trails, playgrounds and community events.

Over time, as more and more recreation facilities were built there were fewer and fewer areas without access to a facility. At that point it made practical sense to move the cost of those facilities to the general tax rate and share the costs across the entire region. In 2014, Council classified recreational facilities and services into one of three groups. The first group consisted of facilities that were essentially providing “Municipal Recreation Facilities” and were to be moved into the general tax rate. The second group was “Community Facilities and Services” which provided non-municipal services to the community and public at large. Lastly were four area rated groups that provided “Private Infrastructure” services that were not fully available to the public and had restrictions on access.

Along with the increased number of area rates a variety of Council rules and procedures were put into place to deal with the development and operation of area rates. These include:

- The “Interim Area Rate Guidelines” (2000) require consultations to establish new area rates, and to ensure that rates are only set for valid municipal purposes. The general practice is for a community vote although for practical purposes there is no formal requirement for a vote. Area rates established before 2000 were grandfathered and not required to go through this process. (See Attachment K)
- The “Recreation Area Rate Policy” (2002) set out the administrative requirements for spending and accounting for funds. This was developed at a time when area rate funds were used for HRM facilities, not just for community run and owned facilities. (See Attachment L)

The “Framework for Area Rates” (2013) is meant to be a guide for Council in evaluating the tax issues it debates. It emphasizes that the tax status should follow the service, not the reverse. It also advises that all municipal services should be general rated unless a significant minority of taxpayers had access to a service unavailable elsewhere. (See Attachment M).

| Current Area Rates | | | |
|---|---|------------------------|--|
| Community Facilities & Services | | Private Infrastructure | |
| 1 | Frame Subdivision Homeowners' Assoc. | 10 | Musquodoboit Harbour Community Rate |
| 2 | GlenArbour Home Owners | 11 | Prospect Road & Area Recreation Assoc. |
| 3 | Haliburton Highbury Homeowners Assoc. | 12 | Sackville Heights Community & Cultural Ctr |
| 4 | Hammonds Plains Common Rate | 13 | St. Margaret's Village at Fox Hollow HOA. |
| 5 | Highland Park Ratepayers Assoc | 14 | Three Brooks Homeowners Association |
| 6 | Kingswood Ratepayers Association | 15 | Waterstone Neighbourhood Assoc.* |
| 7 | Lost Creek Community Association* | 16 | Westwood Hills Resident's Association |
| 8 | Maplewood Village Residents Association | 17 | White Hills Residents Association |
| 9 | Mineville Community Association | | |
| *Area Rates expired; requests for capital projects with surplus funds | | | |

DISCUSSION

On July 18, 2017 Regional Council directed staff to review all relevant policies relating to area rates including the funding of capital assets and the provision of grants. Until that review was complete it directed there be no additional area rates and no additional capital items funded through area rates. Council also directed that the LWF grants budget “be subject to approval by the North-West Community Council.” This review resulted from a series of concerns around the growing use of area rates to fund capital budget items as well as grants.

Current procedures for area rates have not kept pace with changes in area rates and are insufficient for staff to administer the remaining collection of area rates. In broad general terms there are a number of questions that surround area rates and how they function.

1. Area rates can create a significant source of inequity in the provision of municipal services. In some cases, communities can use area rates to provide services that would otherwise be provided through the general tax rate, implying that the taxpayers in that community are paying twice: once through an area rate for their own service and once through the general tax rate for a similar service elsewhere in the municipality. In other instances, communities with the ability to pay are acquiring services that other communities cannot afford to acquire or before other communities with greater need for that service.
2. Area rates cause confusion as to who is accountable for what service. Community groups have no power to levy an area rate. That is the responsibility of Council and is a power granted to Council through the HRM Charter. Council is accountable for the taxes levied but has no direct oversight over how the funds are spent. These organizations are not necessarily agents of the municipality and may not be specifically required to follow Council rules and procedures such as procurement or hiring policies.
3. Area rate associations lack the governance procedures that exist at the municipal and provincial levels. The Interim Area Rate Guidelines try to ensure transparency by requiring public consultations when initially establishing the area rate. Once an area rate is established it normally continues on without additional public consultation. Roughly 70% of associations had their public consultations and vote more than ten years ago. Following its establishment, the area rate is subject to the rules of that association, through its annual general meeting and through its Executive. Those associations are governed by the Society Act with the executive elected at public meetings, normally by show of hands. As communities get larger, however, it becomes impractical to get a representative turnout at public meetings. For example, there are six associations that have more than 1,000 homes within their catchment area. In three of these the turnout for the initial plebiscite was 10% or less.
4. Many area rate associations are in fast growing suburbs. Their associations are dealing with the needs of new residents, most of whom would not have been consulted over the creation of the area rate. For instance, the number of homes, and the budget, in one area rated community has tripled since the original public consultation occurred 15 years ago. On average there are nearly 20% new homes in those area-rated communities for which data exists. Because of the numerous area rates that exist in suburban areas, standards for the level of service are often being driven by area rate associations in isolation from the broader Council discussion.
5. In some cases, the current scope of area rates goes beyond that which was first approved by their initial consultation.

Table One - Ballots Cast by Area Rate

| Association | Council Approved | No. of Properties (time of vote) | Total Ballots Returned | Ballots in Favour | Percent of Total Properties that Voted | No. of Properties in 2017-18 |
|---|------------------|----------------------------------|------------------------|-------------------|--|------------------------------|
| Haliburton Highbury Homeowners Assoc | 1992 | na | na | na | - | 808 |
| Highland Park Ratepayers Assoc | Pre 1999 | na | na | na | - | 764 |
| Prospect Road & Area Recreation Association | Pre 1999 | na | na | na | - | 4,661 |
| Hammonds Plains Community Rate | Pre 1999 | na | na | na | - | 4,800 |
| Musquodoboit Harbour Community Rate | Pre 1999 | na | na | na | - | 1,888 |
| Grand Lake Oakfield Community Society | Pre 1999 | na | na | na | - | 481 |
| LWF Ratepayers Association | 28-Jan-98 | 2,200 | 39 | 29 | 1.8% | 2,522 |
| Maplewood Village Residents Association | 30-Jun-98 | 367 | 51 | 42 | 13.9% | 368 |
| Mineville Community Association | 07-May-02 | 353 | 186 | 133 | 52.7% | 537 |
| Kingswood Ratepayers Association | 09-Jul-02 | 1,048 | 105 | 100 | 10.0% | 1,055 |
| Westwood Hills Resident's Association | 04-Feb-03 | 271 | 143 | 109 | 52.8% | 694 |
| Sackville Heights Community & Cultural Ctr | 25-Feb-03 | 10,549 | 953 | 514 | 9.0% | 12,530 |
| Silversides Residents Association | 27-May-03 | 160 | 28 | 24 | 17.5% | 164 |
| St. Margaret's Village at Fox Hollow HOA. | 14-Jun-05 | 103 | 31 | 28 | 30.1% | 103 |
| GlenArbour Home Owners | 30-Oct-07 | 251 | 141 | 120 | 56.2% | 331 |
| White Hills Residents Association | 24-Jun-08 | 544 | 252 | 202 | 46.3% | 551 |
| Waterstone Neighbourhood Assoc. | 07-Apr-09 | 188 | 77 | 70 | 41.0% | na ¹ |
| Lost Creek Community Association | 16-Nov-10 | 146 | 65 | 50 | 44.5% | 211 |
| Ketch Harbour Area Residents Assoc | 05-Jul-11 | 150 | 69 | 48 | 46.0% | 157 |
| Three Brooks Homeowners Association | 09-Apr-13 | 144 | 70 | 65 | 48.6% | 177 |
| Frame Subdivision Homeowners' Assoc | 16-Jun-15 | 83 | 34 | 26 | 41.0% | 83 |
| Kingswood North | 08-May-17 | 241 | 55 | 40 | 22.8% | 241 |

Notes:

¹ Area Rate not longer active; has remaining surplus funds.

On the positive side, area rates have the potential to access and promote greater local community involvement. In some cases, area rates have a long community history that dates back prior to amalgamation and ties into the policies of the former Halifax County. The services that are provided can be valued by the community, even when they are not municipal in nature. There remain, however, specific issues that have become of concern to staff.

Discretionary Grants:

The first issue is the provision of grants to community groups by area rate organizations. Two area rate groups (Prospect and LWF) award grants to applicants from area rated funds.

- In the case of LWF this includes grants to maintain the Windsor Junction Community Centre (WJCC) as well as community events such as Keloose. But it also includes awards that are more discretionary in nature. Its application form states that the "grant program can support start-up of programs; community events; or capital projects which will improve or increase recreation opportunities for residents within the LWF Rate Payers Area". To ensure that all residents within the catchment area felt included, they expanded to include an application process for funding requests. LWF ended 2016 with a surplus of \$101,300 and the society proposed a grants program of \$128,000 in 2017-18. Over the past few years funding has been distributed to a variety of groups like the Fall River Football Association, Scouts and the Senior Friendly Group.
- The Prospect Road and Area Recreation Association has a more extensive list of grants that are awarded each year and has two programs, one for youth and one for community recreation

projects. It works in partnership supporting community groups on the development of recreational opportunities for citizens residing between Goodwood and West Dover, along the Prospect Road. The annual revenue collected in this area rate is over \$89,000. Approximately 80% of the revenue is dispersed in grants ranging from sport clubs, girl guides/scouts to the Prospect Road Community Centre. Grants also entail funding for Infrastructure, like the Wendy Meadows new court project included in 2018-19 Capital Budget

The existing procedures for area rates are silent as to whether grants can or cannot be made through area rates. Based on the information reviewed there is no reason to believe that these associations are doing anything that is either improper or is not permitted under existing procedures. The intent is clearly to support local community initiatives. Regardless, taxation powers should not be delegated to local community groups unless there are clear lines of accountability back to Regional Council, and hence the taxpayer. The use of funds for short-term discretionary grants does not easily fit into such a model.

Area Rated Capital Projects:

HRM's capital budget normally starts through staff evaluations of required upgrades or replacement of infrastructure, a request from the public, or a motion of Council. These requests are reviewed by staff and are assessed on need and land suitability. Recreation need is determined by the number of other parks in the area, facilities in the neighbourhood, number of children and age range. Once a need for capital infrastructure (i.e. new playgrounds, new courts, new sport fields, etc.) is determined, the request is submitted to the proposed capital budget list for the following year. Current service standards are used to determine areas that are underserved. Final decisions are then determined based on Council priority and costs. New infrastructure results in an increase to the operating budget to cover annual operating costs as well any on-going maintenance and eventual replacement.

In addition to the HRM Capital Budget, there are 17 recreation area rates (under the Community Facilities & Services classification) that can fund their own capital projects. Many of these Community Associations have collected increasingly large sums of money through their area-rates to be used for capital projects. Most of these capital projects, however, are on HRM land and are essentially municipal projects in all but name. They present several key issues:

- These capital projects may not align with Council priorities. The scope and design of projects can go beyond that which staff would otherwise recommend for municipal services, and in some cases encourage sprawl
- Area rate associations expect HRM to pay the ongoing operating and maintenance costs for these facilities which impacts HRM's overall operations funding for State of Good Repair for existing assets
- The volume of requests for new and updated infrastructure from area rates are beyond the current capacity for staff to effectively evaluate and deliver without having an impact on the overall Regional Council approved Operating and Capital Plans.
- Some capital projects draw residents from outside the community which can, and has, created conflict.

Common Area Rates

There are two Common Area Rates (Hammonds Plains Common Area Rate, and Musquodoboit Harbour Common Area Rate), which allocate funds through application to the applicable Community Council, and are not managed by a Homeowners Association but by the local Councillor.

1. **Hammonds Plains Common Rate** - the catchment area is in District 13 and includes 4,800 residential and resources properties that pay \$5 per \$100,000 of taxable assessment. This Common Rate has a current surplus of \$393,932 and collects approximately \$69,500 in revenue annually. There are also 6 Homeowner Associations within this catchment area that also have an Area Rate, which collect revenue to develop community recreation. These

homeowners are paying three different levels of tax for expenses, most of which fall under the general tax rate.

Since 2012, there have only been three expenditures against this Common Rate; a contribution towards the Kingswood Sport Field, the Hammonds Plains Cenotaph and the New Tennis Courts in Glen Arbor.

2. **Musquodoboit Harbour Common Rate** – the catchment area is in District 2 and includes 1,888 residential and resource properties that pay \$5 per \$100,000 of taxable assessment. This Common Rate has a current surplus of \$39,337 and collects approximately \$10,400 in revenue annually.

From 2012 to 2016, there were only two expenditures against this Common Rate: for the Petpeswick Yacht Club and the Musquodoboit Harbour Chamber of Commerce Masterplan. In 2017 and 2018 this Area Rate also funded Peace Park Picnic tables, the Petpeswick Inlet / Little River Water Quality Assessment Study, and a grant to the Porter's Lake Baseball Association.

These two rates were created prior to amalgamation and have no clearly established purpose or business plans. There is no record of a community vote or consultation having taken place for these rates. They have also seen limited use in past years, which has resulted in a surplus of tax dollars not being utilized. Residents in these areas are being taxed without a clearly established purpose and no municipal service being provided on an ongoing basis.

All Councillors have access to Discretionary Capital Funding, which is available to assist with community capital requests. These two districts also have these common area rates, which is additional funding that is not available to other communities. The surplus funds from these Common Area Rates are currently held to allow the District 2 and District 13 Councillors to consult with the applicable communities as to their potential disposition.

Recommendations:

Council directed staff to review area rate policies including the funding of capital and the provision of grants. As an interim measure Regional Council voted that the LWF grants budget "be subject to approval by the North-West Community Council." That grants budget was brought forward to North-West Community Council on April 9, 2018 and forwarded to Regional Council for a final decision. A more permanent approach for grants and capital is more appropriate.

New Area Rate Admin Order for 2019-2020 and Beyond

Staff are recommending that the current Recreation Area Rate Policy and Interim Area Rates Guidelines be updated and combined into one procedure that outlines:

- The principles and objectives for allowing area rates to be undertaken;
- Those expenditures which area rate organizations might make, namely expenditures in areas such as community events, capital projects, beautification, signage, administrative expenses and other local matters;
- Those expenditures which are expressly disallowed, such as discretionary grants other than those included in an ongoing contribution agreement approved by Regional Council or those geared towards eligible expenditures such as community events, beautification and signage;
- The requirements and limitations for entering into contribution agreements that provide grants specifically for facilities and other services;
- Requirements around transparency, governance, public access and approval of new and ongoing area rates;
- Specifying which HRM policies apply to those organizations;
- Roles, responsibilities and any administrative issues;

- The grandfathering of any specific issues, as appropriate; and,
- The use and disposition of any surplus funds, with the requirement that any accumulated area rate funds that cannot be utilized in those communities, should be returned to those communities by a reduction in the area rate.

Transitional Approach for 2018-2019

In order to transition to a new approach, staff are recommending for the 2018-19 fiscal year that Council:

- Approve in principle those area-rated capital projects listed in Attachment C for completion within the time frame specified (2019-2020 or 2020-2021). These projects have been evaluated based on land suitability, recreational need and overall feasibility.
- Advise all area rate associations that, other than capital projects listed on Attachment B and C, no additional capital projects should be budgeted for until Council adopts a New Area Rate Policy. Capital projects that did not meet HRM's need assessment at this time are listed in Attachment D;
- Advise all area rated associations that they should not include in any proposed budget any grant amounts other than those for events, beautification, signage or for existing facilities such as the Windsor Junction Community Centre (WJCC) until Council adopts a New Area Rate Policy
- Advise the LWF that it can include funding for the Windsor Junction Community Centre (WJCC), Keloose and Lakeview Park;
- Approve those area rates in Attachment A that are listed as "Recommended Tax Rates for 2018-19";
- Advise those seven area rate associations with grants and capital funding (listed in Attachment A as "Requiring Budget Changes for 2018-19"), to review and revise their budgets and area rates accordingly;
- Discontinue the Hammonds Plains Common Area Rate and return with a recommendation on the surplus funds ; and,
- Approve the Musquodoboit Harbour Common Area Rate and provide notice that there is one year for any interested community group to undertake consultations for the continuance of this rate, and, failing that, this tax rate will not be renewed in 2019-20.

Objectives

The objective of these changes is to better align the taxation system with municipal objectives while allowing local communities involvement in activities that are of a local municipal nature. As a result:

- Grants should not be made through area rates for purposes that are outside of municipal responsibilities. Grants could remain when they are a means of supporting local municipal activities such as community events, beautification or signage. Some specific issues may be grandfathered.
- Funding for the Windsor Junction Community Centre (WJCC) would continue;
- The seven area rate associations that have been identified will be able to adjust their existing budgets based on Council's direction on grants and capital and have their budget and area rate re-submitted for 2018-19; and,
- Local associations would be consulted on the specific definitions and approaches to be used in the revised area rate procedures.

FINANCIAL IMPLICATIONS

There will be no immediate financial implications, as the projects requested by the Area Rate Associations and proposed capital projects, as per Attachment C will be funded by the various associations through area rate and surplus funds. However, any required maintenance and future replacement will fall under future HRM operating and capital budgets.

RISK CONSIDERATION

To reach the recommendations, consideration was given to the existing and potential risks, both related to services and to the organization's reputation.

There is a minor to moderate risk that there will be some interruption in services provided by area rated groups. The recommendations in this report are not designed to curtail or prevent the provision of services to the public. Facilities such as the Windsor Junction Community Centre (WJCC) can continue to operate both in the short-term and in the longer term. Community events may also continue. Most area rated capital projects that have been planned out will be allowed to be completed. Changes in procedures can, however, cause some confusion and anxiety within volunteers and other service providers.

There are existing and potential risks to the organization's reputation. With respect to the existing risk, there are taxpayers who feel that HRM has allowed the property tax system to be inappropriately used by local community groups and that oversight of those group's activities is insufficient. Conversely, community groups have become accustomed to accessing the tax system for locally defined needs and may resent any attempt to bring strong oversight and governance to the use of the local taxes. Often such groups feel that they have a stronger understanding of local needs than does HRM. Hence there is the potential for moderate negative views towards the municipality from local communities. It is also worth noting that past discussions and proposals of these issues have led to misunderstandings as to what was being specifically proposed and why.

COMMUNITY ENGAGEMENT

Consultation has occurred with the community associations with proposed Capital projects, to plan and develop their budgets including capital projects. Additional consultations can occur before any procedural changes are finalized.

Staff met with the Executive of the LWF Community Association. Their comments regarding the July 18, 2017 Staff Report are attached as Attachment N.

ENVIRONMENTAL IMPLICATIONS

Not applicable.

ALTERNATIVES

Regional Council could decide to remain with the status quo, however, this is not recommended as the current procedures are outdated; or

Regional Council could decide to approve some of the recommendations, but not all.

1. Regional Council could decide to discontinue the Musquodoboit Harbour Common Rate effective immediately;
2. Regional Council could decide to allow Area Rate Association to continue providing Grants, however, the Charter restricts area rates for purposes "for which the Municipality may expend funds for borrow", and providing Grants to individuals is one of those restrictions. Non-profits can request grants through HRM's Grant program and Councillor's District Capital Fund.
3. Regional Council could decide to continue allowing Area Rate Associations to continue collecting tax to build infrastructure, however, this is providing services for those with the ability to pay over those without, which is against Council's priorities. Staff would have to consider how they could deliver such projects without affecting the delivery of projects in the overall Capital Budget.
4. Regional Council could direct staff to remove capital projects from Area Rate Funding eligibility such that it would not form part of the consultation with Community Associations.

ATTACHMENTS

Attachment A - Status of Area Rates for 2018-19

Attachment B - Capital Projects (Area Rate Associations) Approved by Council for 2017-18 and 2018-19

Attachment C - Capital Projects (Area Rate Associations) Recommended in Principle
for 2019-20 and 2020-21

Attachment D – Capital Projects (Area Rate Associations) Not Recommended

Attachment E - Grants Provided by LWF

Attachment F – Grants Provided by Prospect

Attachment G - Description of LWF Grant Programs

Attachment H - Description of Prospect Grant Programs

Attachment I – Map of HRM Area Rates

Attachment J – Map of Hammonds Plains Area Rates

Attachment K - Interim Area Rate Guidelines

Attachment L - Recreation Area Rate Policy

Attachment M – Framework for Area Rates

Attachment N – Letter from LWF

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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Attachment A - Status of Area Rates for 2018-19

| | Current Rate | 18-19 Revenues | Less Capital Funding | Less Grant Funding | Revised Revenues | Revised Tax Rate | Increase/Decrease |
|---|------------------|----------------|----------------------|--------------------|------------------|------------------------------|----------------------------|
| Recommended Tax Rates for 2018-19 | | | | | | Recommended Tax Rates | |
| Frame Subdivision Homeowners' Association | \$45 Flat Fee | \$3,700 | - | - | \$3,700 | \$45 Flat Fee | No Change |
| Glen Arbour Homeowners Association | \$65 Flat Fee | \$21,500 | - | - | \$21,500 | \$65 Flat Fee | No Change ² |
| Mineville Community Association | \$20 Flat Fee | 10,800 | - | - | 10,800 | \$20 Flat Fee | No Change |
| Sackville Heights Community & Cultural Centre | 0.010 | 265,900 | - | - | 265,900 | 0.010 | No Change ¹ |
| St. Margaret's Village at Fox Hollow Homeowners | \$60 Flat Fee | 6,200 | - | - | 6,200 | \$60 Flat Fee | No Change |
| Three Brooks Homeowners Association | \$60 Flat Fee | 10,200 | - | - | 10,200 | \$60 Flat Fee | No Change |
| Westwood Hills Residents Association | \$50 Flat Fee | 35,000 | - | - | 17,500 | \$25 Flat Fee | \$25 Decrease ⁴ |
| Grand Lake Oakfield Community Centre | 0.021 | 24,100 | - | - | 24,100 | 0.021 | No Change |
| Ketch Harbour Area Residents Association | \$66.67 Flat Fee | 10,500 | - | - | 10,500 | \$66.67 Flat Fee | No Change |
| Silversides Residents Association | \$100 Flat Fee | 16,400 | - | - | 16,400 | \$100 Flat Fee | No Change |
| Consultations Required within 1 Year | | | | | | | |
| Musquodoboit Harbour Common Rate | 0.005 | 10,600 | - | - | 10,600 | 0.005 | No Change |
| Requiring Budget Changes for 2018-19 | | | | | | Estimated Tax Rates | |
| Haliburton Highbury Homeowners Association | 0.023 | 51,500 | -31,500 | - | 20,000 | 0.009 | -0.014 |
| Highland Park Ratepayers Association | 0.005 | 9,300 | -3,800 | - | 5,500 | 0.003 | -0.002 |
| Kingswood Ratepayers Association | \$50 Flat Fee | 65,000 | -50,000 | - | 15,000 | \$12 Flat Fee | \$38 Decrease |
| Maplewood Village Residents Association | \$50 Flat Fee | 18,400 | -3,400 | - | 15,000 | \$40 Flat Fee | \$10 Decrease ³ |
| Prospect Road and Area Recreation Association | 0.012 | 90,700 | - | -55,700 | 35,000 | 0.005 | -0.007 |
| White Hills Residents Association | \$50 Flat Fee | 27,600 | -21,600 | - | 6,000 | \$11 Flat Fee | \$39 Decrease |
| LWF Ratepayers Association | 0.0300 | 203,400 | - | -34,000 | 169,400 | 0.0250 | -0.005 ⁵ |

Notes:

- ¹ Large Surplus budgeted to be spent in 18/19. Recommend reduced for 19/20
- ² Owes \$6,645 for Capital project. Reduce to \$46 for 2019/20.
- ³ Have large surplus, could reduce further thru using those savings.
- ⁴ Can reduce tax rate by using some of the \$123K surplus.
- ⁵ \$70K surplus to cover budgeted expenses

Attachment B - Capital Projects (Area Rate Associations) Approved by Council for 2017-18 and 2018-19

| Area Rate Association | Capital Requests | Completed 2017-18 | Approved 2018-19 |
|---|---|----------------------|---------------------|
| GlenArbour Home Owners | New Tennis/pickleball courts | ✓ | |
| Haliburton Highbury Homeowners Assoc | New Aubrey's Park & Trails in Haliburton Park | ✓ | ✓ |
| Kingswood Ratepayers Association | New Long Lake Drive Dock | ✓ | |
| | New Long Lake Dr playground & Picnic Shelter | | ✓ |
| | New picnic shelters (3) | | ✓ |
| | Expand Ballfield parking lot | | ✓ |
| Lost Creek Community Association | New Asphalt court - Heatherglen Park | | ✓ |
| St. Margaret's Village at Fox Hollow HOA. | New piece of playground equip. | ✓ | |
| Westwood Hills Resident's Association | New Wrights Lake Dock | ✓ | |
| White Hills Residents Association | Plans for Daisywood Park/Tomahawk Run Park | | ✓ |
| Prospect Road & Area Recreation Association | Wendy's Meadow - New Court | | ✓ |

Attachment C - Capital Projects (Area Rate Associations) Recommended in Principle for 2019-20 and 2020-21

| Area Rate Association | Capital Requests | Proposed 2019-20 | Proposed 2020-21 |
|--|---|---------------------|---------------------|
| Highland Park Ratepayers Assoc | Park development (Timberlane Terrace Park) | ✓ | |
| Kingswood Ratepayers Association | New Blue Forest to Kingswood trail | ✓ | |
| Waterstone Neighbourhood Assoc. ¹ | Playground Enhancements (subject to playground replacement) | | To Be Confirmed |

¹Area Rate Expired - Capital project will use balance of surplus funds.

Attachment D - Capital Projects (Area Rate Associations) Not Recommended

| Area Rate Association | Capital Requests |
|---|---|
| Kingswood Ratepayers Association | New dock - Schmidt Lake - Not required under Needs Assessment |
| Maplewood Village Residents Association | New Court - Salty Dips Park - Not required under Needs Assessment |

LWF GRANT DISBURSEMENT

| | Amount | Group |
|-----------------------------|------------------|------------------------------|
| 2015-16 | 3,000 | FALL RIVER CANAL DAYS |
| | 5,000 | KELOOSE |
| | 4,778 | LWF COMMUNITY HALL |
| | 2,500 | SENIORS FRIENDLY GROUP |
| | 15,374 | SWEPS TRAILS |
| | 3,200 | CANAL DISTRICT GIRL GUIDE |
| | 3,750 | FRIENDLY GROUP SENIORS |
| Total Grants 2015-16 | \$ 37,602 | |
| 2016-17 | 5,000 | KELOOSE 2009 |
| | 3,500 | FALL RIVER JAM SESSION |
| Total Grants 2016-17 | \$ 8,500 | |
| 2017-18 | 11,877 | WINDOR JUNCTION COMM CTR. |
| | 10,000 | FALL RIVER FOOTBALL ASSOC. |
| | 7,000 | KELOOSE FAIR |
| | 4,000 | SENIORS FRIENDLY GROUP |
| Total Grants 2017-18 | \$ 32,877 | |
| 2018-19 | 15,000 | LWF MINOR BASEBALL |
| | 30,000 | SHUBENACADIE WATERSHED |
| | 5,000 | RIVERLAKE SCOUTS GROUP |
| YTD Grants 2018-19 | \$ 50,000 | |

PROSPECT GRANT DISBURSEMENT

| | | |
|--|---|---|
| 2017-18 Grant Receipts 1,000 Highland Dances International 200 Lacrosse National - Individual EL 200 NS Baseball Nationals - Individual EB 200 Baseball Nationals - Individual AN 200 Lacrosse Nationals - Individual DM 200 NS Baseball Nationals - Individual MJ 4,523 CLEVE'S -Equip for Prospect Bulls Basketball 7,614 PROSPECT ROAD COMMUNITY C 3,507 PROSPECT ROAD COMMUNITY C 15,000 PROSPECT ROAD COMMUNITY Ctr - Op Grant 7,475 Seaview Community 2,517 VILLAGE GREEN REC-Signage East Dover Community \$ 42,635 Total Grants 2017-18 | 2015-16 Grant Receipts 200 YOUTH GRANT - SC 164 THE FIT STOP 1,723 G. VEINOT METAL - SOCCOR NETS 200 YOUTH GRANT - TN 200 YOUTH GRANT DM 200 YOUTH GRANT - AN 574 FITNESS DEPOT 273 THE FIT STOP 2,932 PROSPECT ROAD COMMUNITY C 816 DEAL EXCAVATING - SS ATLANTIC HERITAGE PK 250 SS ATLANTIC GRANT - AS 921 SS ATLANTIC GRANT - LM 195 SS ATLANTIC GRANT - LM 1,262 PROSPECT SENIORS NETWORK 515 COMMUNITY GARDENS 200 YOUTH GRANT - RM 200 YOUTH GRANT - MH 200 YOUTH GRANT - EY 200 YOUTH GRANT - AW 952 YOUTH GRANT - JL 200 YOUTH GRANT - LM 400 FOOTBALL NOVA SCOTIA 200 YOUTH GRANT - CA 200 YOUTH GRANT - GB 200 YOUTH GRANT - BW 200 YOUTH GRANT - JL 200 YOUTH GRANT - TM 1,929 VILLAGE GREEN RECREATION 13,825 TSF SURPLUS TO PRCC 2,070 JD'S SHOOTING & FISHING - OSPRAY ARCHERY CLUB 4,254 VILLAGE GREEN RECREATION 3,500 PROSPECT ROAD 438 YOUTH PROJECT 200 YOUTH GRANT - JT 118 THE FIT STOP 234 THE FIT STOP 600 HDSC U18 TIER 1 GIRLS TEA 83 THE FIT STOP 2,386 COMMUNITY JAMMERS - PRCC 271 THE FIT STOP 4,693 COBEQUID TRAIL CONSULTING 1,017 VILLAGE GREEN RECREATION 94 THE FIT STOP 146 YOUTH GRANT - CV 3,500 PROSPECT ROAD COMMUNITY CTR 10,000 PROSPECT ROAD COMMUNITY CTR 1,262 PROSPECT ROAD SENIORS GRO 52 ATLANTIC GYM & SPORTS -BASKETBALL,RUBBER,FIRST QUALITY 166 ATLANTIC GYM & SPORTS -BASKETBALL,INDOOR,OFFICIAL FIBA 166 ATLANTIC GYM & SPORTS -BASKETBALL,INDOOR,OFFICIAL FIBA 148 ATLANTIC GYM & SPORTS -BASKETBALL,COMPOSITE,CCAA/CIAU 47 ATLANTIC GYM & SPORTS -PINNIE,SCRIMMAGE VEST,L,YELLOW 47 ATLANTIC GYM & SPORTS-PINNIE,SCRIMMAGE VEST,XL,YELLOW 198 ATLANTIC GYM & SPORTS -BASKETBALL,RUBBER,FIRST QUALITY 153 ATLANTIC GYM & SPORTS-BASKETBALL,RUBBER,FIRST QUALITY 104 ATLANTIC GYM & SPORTS-BASKETBALL,RUBBER,FIRST QUALITY 47 ATLANTIC GYM & SPORTS-PINNIE,SCRIMMAGE VEST,M,YELLOW 2,764 SAFETY MINDED ATV ASSOCIA 2,764 SAFETY MINDED ATV ASSOCIA 200 YOUTH GRANT -JT 344 THE FIT STOP 427 THE FIT STOP 770 NOVA TROPHY \$ 72,793 Total Grants 2015-16 | 2014-15 Grant Receipts 1,542 ABERDEEN BUS TOURS 1,000 ATLANTIC MEMORIAL TERENCE 1,000 PROSPECT ROAD ELEMENTARY 4,266 PROSPECT ROAD COMMUNITY C 14,200 PROSPECT ROAD AREA RATE 315 THE FIT STOP 1,885 FITNESS DEPOT 3,000 BROOKSIDE SENIORS 500 GRANT - KA 5,075 THE FIT STOP 8,018 EVERYTHING FITNESS INC 135 THE FIT STOP 200 TRUE POWER ATLANTIC MARKE 200 TRUE POWER ATLANTIC MARKE 909 PRODIGY SPORTS 156 SPORT CHEK 8,050 BROOKSIDE JUNIOR HIGH SCH \$ 50,452 Total Grants 2014-15 |
| 2016-17 Grant Receipts 600 PROSPECT ROAD SENIORS GRO 715 PROSPECT ROAD COMMUNITY C 510 Youth Grant BS 150 Youth Grant-JB 200 Youth Grant SL 200 Youth Grant EB 913 AMBASSATOURS GRAY LINE 3,780 VILLAGE GREEN RECREATION 200 Youth Grant DM 5,300 PROSPECT ROAD COMMUNITIES 2,000 ATLANTIC MEMORIAL SCHOOL TRACK 715 PROSPECT ROAD COMMUNITY CTR 200 YOUTH GRANT - SB 200 YOUTH GRANT - DN 200 YOUTH GRANT - DM 20,000 PROSPECT ROAD ELEMENTARY 497 YOUTH GRANT - JB 10,000 RESOURCE OPPORTUNITIES CE 1,304 PROSPECT ROAD (GRAY LINE & DINNER) 576 PROSPECT ROAD (GRAY LINE & DINNER) 1,039 TRACK & FIELD YOUTH GRANT - KB 845 BROOKSIDE HOMEOWNERS GRANT-NOVA TROPHY 2,167 VILLAGE GREEN RECREATION 1,115 VILLAGE GREEN RECREATION 200 YOUTH GRANT - TD 200 SOCCER GRANT -HB 1,772 PROSPECT BASKETBALL \$ 55,596 Total Grants 2016-17 | 2013-14 Grant Receipts 10,000 PROSPECT ROAD COMMUNITY C 2,999 2ND HATCHET LAKE SCOUTS 1,000 2ND HATCHET LAKE SCOUTS 200 YOUTH GRANT - AW 200 YOUTH GRANT - LM 200 YOUTH GRANT - RM 200 YOUTH GRANT - MW 1,000 PROSPECT ROAD ELEMENTAR 1,000 ATLANTIC MEMORIAL TERENCE 2,000 PROSPECT ROAD COMMUNITIES 8,407 VILLAGE GREEN RECREATION 200 YOUTH GRANT - DR 2,203 GRANT - AM 1,200 HFX DUNBRACK U18 GIRLS SOCCER 1,815 ABERDEEN CHARTERS & TOURS 10,000 PROSPECT PENINSULA RESIDE 1,000 PROSPECT SENIORS 400 TASA PEWEE AA FEMALE \$ 44,024 Total Grants 2013-14 | |
| | 2012-13 Grant Receipts 504 VILLAGE GREEN GRANT 200 GRANT -JC 81 PROSPECT COMMUNITIES MINO 264 GRANT - TB 1,811 NOVA TROPHY 5,400 VILLAGE GREEN REC GRANT 200 PROSPECT ROAD COMMUNITY C 1,000 PROSPECT ROAD ELEMENTARY 2,000 PROSPECT ROAD SENIORS NET 600 GIRL GUIDES OF CANADA 1,000 ATLANTIC MEMORIAL TERENCE 4,928 NEVER GREENER SERVICES 1,875 PROSPECT MINOR BASEBALL A 313 PROSPECT ROAD CITIZENS ON 200 YOUTH GRANT - QW 200 YOUTH GRANT -MW 200 YOUTH GRANT -DB 200 YOUTH GRANT -LG 800 GRANT - KD 200 YOUTH GRANT -TC 200 YOUTH GRANT -TF \$ 22,175 Total Grants 2012-13 | |

APPLICATION FOR THE LWF RATEPAYERS ASSOCIATION GRANT

Lakeview Winsor Junction Fall River (LWF) Ratepayers Association is pleased to support recreational opportunities and community based initiatives which benefit the residents within the LWF Rate Paying communities by promoting an active, healthy, involved community for all ages. This grant program can support start-up of programs; community events; or capital projects which will improve or increase recreation opportunities for residents within the LWF Rate Payers Area.

Grants are awarded on a tri-annual basis by the LWFRA that reviews each application. This grant program will differ year to year based on funding availability.

Application Process

1. Applicants must complete the application form and complete the supplementary information to ensure review of their application – applicants who do not adhere to the form will not be considered. Additional information may be included as an addendum.
2. Applicants must submit one hard copy of the completed application form. Applications must be received by the LWFRA on or before 4:00 p.m. on May 1st, for the first grant period, November 1st, for the second grant period, and February 1st for the third grant period of the calendar year.

3. Please deliver application packages to:

LWFRA Board of Directors
P.O Box 2035 Fall River, NS BON 2T0
re: Application for the LWF Ratepayers Association Grant

To coordinate drop off email: lwfrainfo@nail.com

4. The LWF Community Grants review and approval process may take several weeks to complete. Applications may be approved for some or all of the funding being requested*. Grant applicants will be notified as to the final status of their application within two months of the application deadline.
5. Successful grant recipients will be asked to sign a Letter of Agreement to establish the reporting schedule, the distribution of funds, and restrictions and/or guidelines surrounding the use of funds. It is the responsibility of the recipient to inform the LWFRA of any changes in expenditures of the funds or the objectives of the project. If a group fails to complete a final report, they shall not be able to apply for future grants until all reporting is completed and deemed in good standing with the LWFRA.
6. The LWFRA reserves the right to delay and/or withdraw funding if the stipulations of the Letter of Agreement are not being met, or if it is suspected that the funds are not being spent appropriately.

*Funding is subject to availability.

Application Criteria

Please review the following criteria carefully to ensure that your project is eligible for an LWFRA Community Grant:

1. The ~~proposed~~ grant request will be evaluated based on how high the application scores on the following criteria:
 - Provide details of how project will improve recreation experiences for LWFRA residents.
 - Proves how project will facilitate social interaction for people in the community.
 - Number of rate payers who would benefit?
 - Shows a variety of other funding support (i.e. Fund-raising, members fees)
 - Dependence of the project upon the funding requested
 - Location of project (must take place within the LWFRA boundaries)
 - Duration of impact felt by the project (Long term benefits to the community will be weighted higher)
 - Budget provided is clear, detailed, and deemed reasonable).
 - Identifies and addresses a need and provides details of overall benefit to the community (Tell how the funding is being used to meet needs/gaps that no other service, project is providing in the area).
2. Who can apply?
 - Applicants must be in good standing with registry of joint stocks.
 - Applicants or Applicants member(s) must be based in the rate-paying community.
 - Private, for-profit groups, schools, or an individual will not be considered.
 - Organizations or groups who fails to complete a final report, they shall not be able to apply for future grants until all reporting is completed and deemed in good standing with the LWFRA.
3. The successful applicants must demonstrate financial accountability by reporting on budget expenditures. *Please note: All applicants who are requesting more than \$5000 must submit a review engagement or audited financial statement for their organization.
4. It is expected that the proposed project will be completed within one year, though extensions may be granted on a case- by-case basis.
5. We will not consider applications for ;
 - Long term operational funding
 - Capital purchases (i.e. infrastructure, equipment, furniture, technology) unless such purchases are required for the implementation of a specific program
 - Funding towards capital campaigns or foundations
6. When applying for a grant on behalf of a partnership or group of organizations, each organization must provide a letter of support from its respective leader, in the grant application package. When applying as part of a partnership, the lead applicant must be based in the LWF Area. The program or project needs to take place in the LWF Area.

DESCRIPTION OF PROSPECT GRANT PROGRAMS

The PRRA is now accepting grant application for the 2018/19 season!

Please visit www.prospectcommunities.com/rec/ for all the details and to access the grant applications – the deadline to apply is April 3rd, 2018.

Criteria for grant applications for not for profit organizations:

- Permanent recreation infrastructure must be built on HRM owned property.
- Project or program must be recreation-related
- Benefits community members
- Applications must be a formal, registered not for profit

Youth Grant Fund:

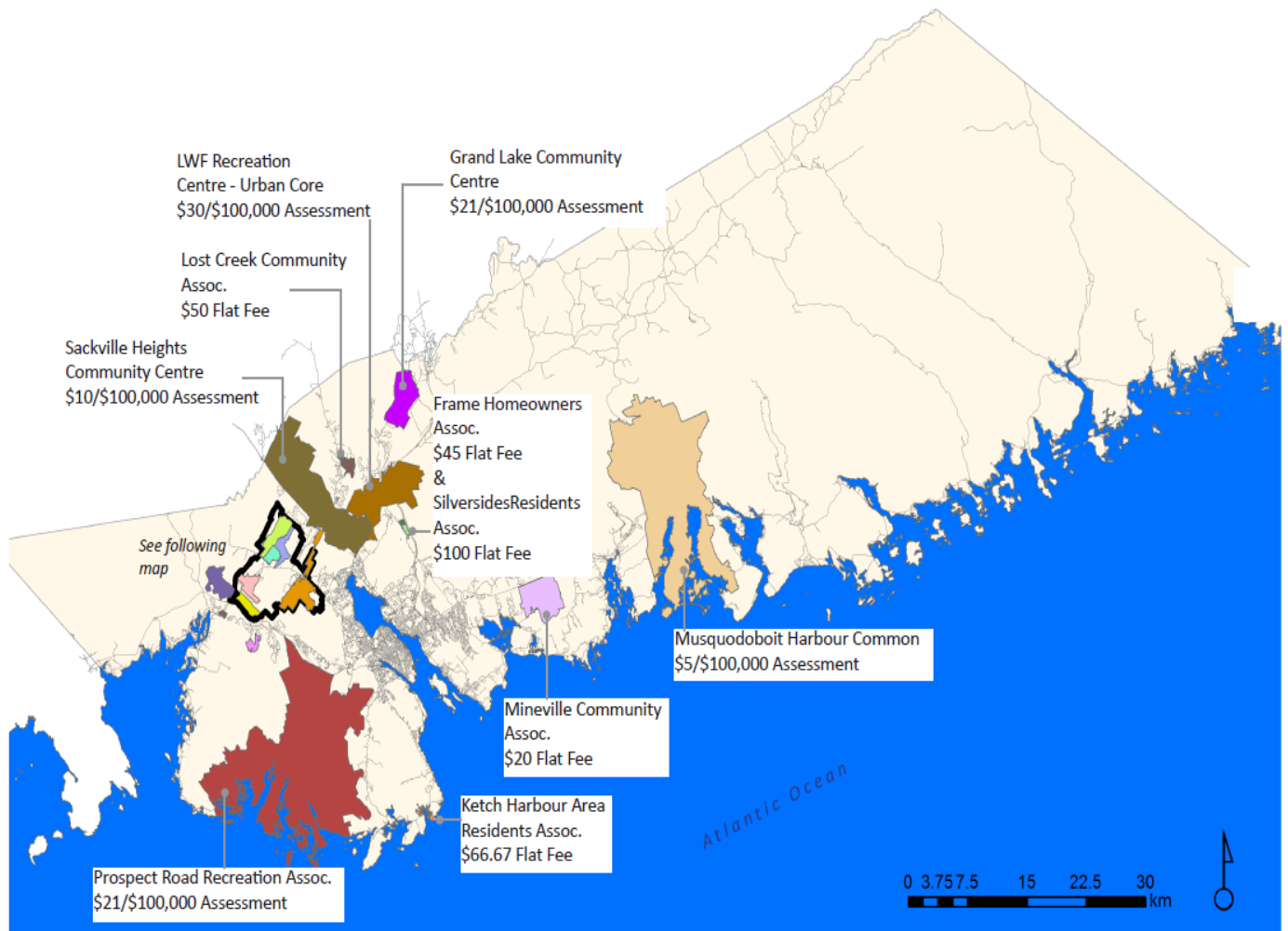
The PRRA has also established a Youth Grant Fund. This fund is open to youth who reside in the Prospect Communities from Goodwood to West Dover, who are seeking help to subsidize National level play or above, or the highest level of the sport being played.

Grants of \$200 per player are available or \$1000 per team. Please see grant applications for full criteria. These can be applied for throughout the year.

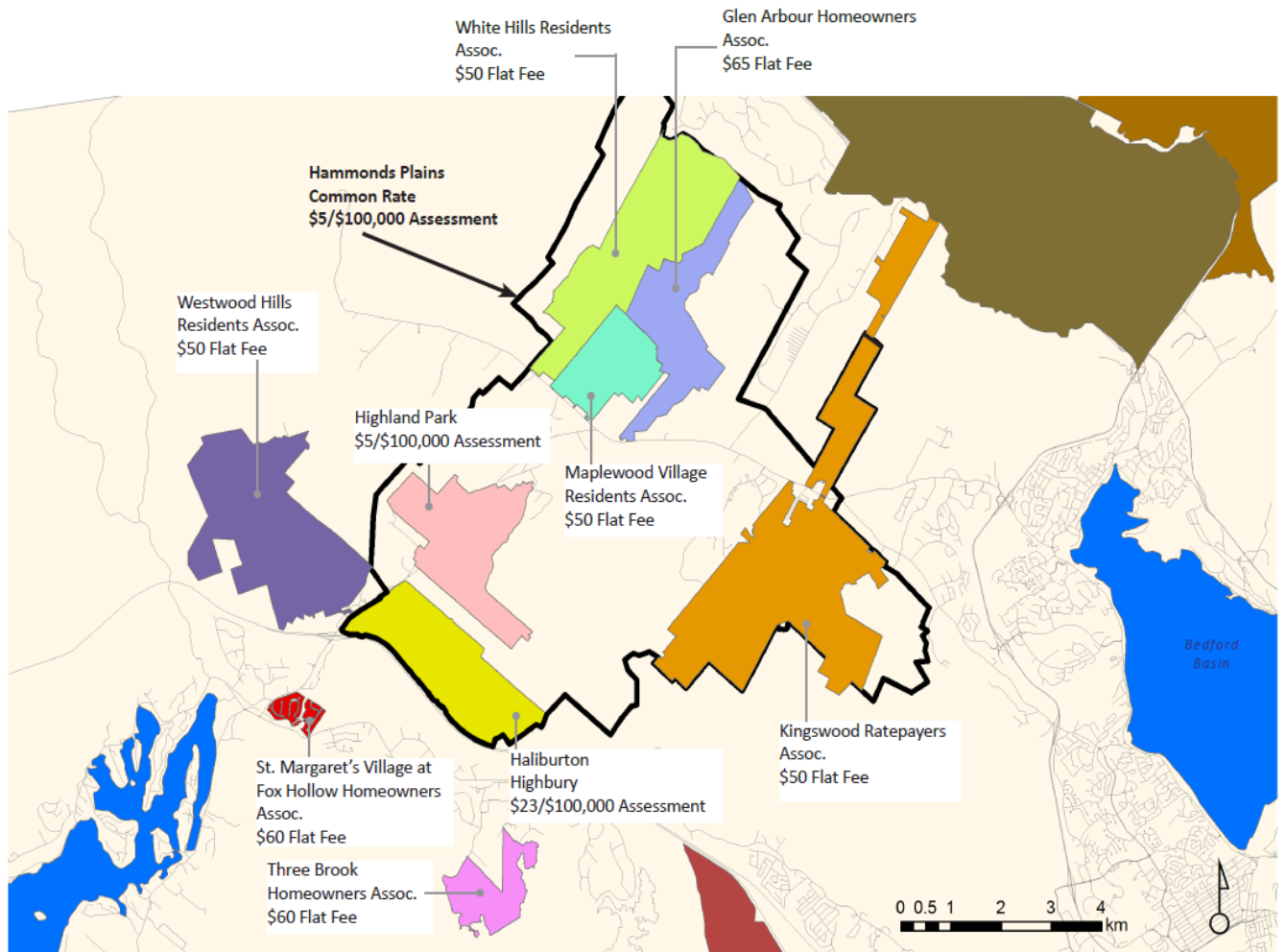
Youth Grant Applications should be sent to PRRAGrants@prospectcommunities.com for consideration.

The Grants Presentation Meeting will be held Wednesday, April 18th, 2018 at the PRCC 7p.m.

Area Rates



Hammonds Plains Area Map



Interim Area Rate Guidelines

Original Implementation Date: January 11, 2000 Approved by: Regional Council
Date of Last Revision: Approved by:
Effective Date of Last Revision: Approved by:

1 – Interim Area Rate Guidelines

2 - Background

HRM currently has 64 area rates to provide local levels of service. Many of these area rates were established in the former Halifax County while others are relatively new. The intention of the interim guidelines is to create a process to help communities who wish to establish new area rates, to ensure that all tax payers have an opportunity to participate in setting a rate, and to ensure that rates are only set for valid municipal purposes and for services not already covered by the general rate. These guidelines are not meant to apply to area rates established for Local Improvement Charges.

1. Area rates can only be used for the provision of services within the municipal mandate; services traditionally provided by the municipality;
2. Area rates are not to be used to provide different levels of municipal service within urban and suburban areas where said service is covered by the general tax rate;
3. In order for a proposed new area rate to move to the process as outlined in #4 below, it must have the support of the area's Councillor(s);
4. Proposals for new area rates must be advertised publicly, clearly identifying affected areas, the purpose for the rate, the rate information and the duration the rate is expected to be charged. A public meeting will be held and those attending the meeting will be informed of the rationale for the rate and consulted on its appropriateness.
5. With the concurrence of the Councillor, the request is forwarded to the Community Council for review and a recommendation to Halifax Regional Council. Where a Community Council does not exist, the request will go directly to Halifax Regional Council.
6. Any proposed new area rates recommended by a Community Council (or, in the absence of a Community Council, the Councillor for the area) will be submitted to Halifax Regional Council through a staff report with a recommendation from the Chief Administrative Officer. The staff report will identify the implications to the Municipality along with the results of any public meeting.
7. Halifax Regional Council is responsible for approving all area rates.

Recreation Area Policy

| | | | |
|----------------------------------|-------------------|--------------|------------------|
| Original Implementation Date: | December 12, 2000 | Approved by: | Regional Council |
| Date of Last Revision: | May 14, 2002 | Approved by: | Regional Council |
| Effective Date of Last Revision: | | Approved by: | |

Recreation Area Rate Policy

1 - Context

The provincial legislation that governs the expenditures for Area Rate Accounts is the Municipal Government Act (MGA) which lists allowable expenditures and area rates. Overall, HRM has expenditure principles whereby all expenditures:

- Must meet the spending guidelines of the Municipal Government Act, Section 65
- Must have supporting documentation for payment, no advances issued
- Should be made in accordance with the HRM Conflict of Interest Policy
- Must comply with the spirit and objectives of the Procurement Policy approved by Council, and
- Must be made in accordance with provincial and federal legislation.

Specifically, with regard to area rate expenditures, the expenditure must also benefit the community on whose behalf the area rate has been collected. (Section 526(2) of the MGA)

2 – Statement of Intent

The Recreation Area Rate Funds Policy is intended to guide expenditures in accordance with the stated purpose of the Area Rate as outlined in the annual budget and business plan, HRM Finance Policy and legislation regarding allowable expenditures.

3 – Approved Purposes

3.1 Each area rate is required to have an annual business plan and detailed budget which is to be submitted in accordance with HRM's annual budget and business planning process. All expenditures are to be made in accordance with the approved budget and business plan.

3.2 Area rate funds are to be budget on a break-even basis. Any deficit that arises in any year must be the first charge on the area rate in the next fiscal year. Reserves or surplus carry forwards are not to occur without a Council approved reserve business case.

3.3 Area rate funds can only be used for the provision of services within the municipal mandate as defined in Section 65 of the Municipal Government Act.

3.4 Expenditures must comply with the spirit and objectives of the Procurement Policy approved by Council.

3.5 Expenditures must be made in accordance with all provincial and federal legislation.

4 – Record Keeping Requirements

4.1 Expenditures must have supporting documentation for payment, no advances will be issued.

4.2 There are currently facilities that are both owned and operated by HRM business units, which are funded by specific area rates and these are rates are the responsibility of those business units that operate the facilities. In all other cases, those recreation area rates that are not currently an HRM business unit responsibility are to be the responsibility of a form of association, society or a Councillor and requests for expenditure payments should be reviewed and approved by a member(s) of the association, society or local Community Council.

4.3 Requests for payment should be signed by the HRM business unit, association, society or Community Council, as applicable, as indication that the related good or service has been satisfactorily received and that the expenditure has been made in accordance with the Approved Purpose. Individual Councillors should not be the sole signatory on requests for payment from an Area Rate Account.

5 – Reporting Requirements

5.1 A financial report for each area rate fund will be prepared by Financial Services on a quarterly basis and the information provided to the HRM business unit, area rate society or association, or Community Council and to Regional Council.

6 – Continuous Renewal Clause

6.1 This policy shall be assessed after one (1) year of implementation to evaluate its scope, relevance and effectiveness. Thereafter, the policy shall be reviewed every two (2) years or upon request to reflect substantive changes in legislation or municipal policy or priorities.

6.2 Responsibility for policy review and revision shall be that of HRM Financial Services.

6.3 Recommended changes to policy shall be forwarded to Regional Council by Financial Services for approval.

Procedures

1 - Roles and Responsibilities

HRM Business Units

Recreation area rates for the funding of the facilities owned and operated by HRM are the responsibility of HRM business units. They shall seek the approval of Regional Council for the Area Rate Fund's annual budget and business plan through the regular HRM business planning and budget process. They are responsible for making a determination if an expenditure is permissible and shall be expected to expend funds in accordance with the appropriate policies. Assistance and advice on compliance with policies and legislation will be provided by staff of Financial Services. (In fiscal 2001/02, only one of the recreation area rates relates to funding a facility owned and operated by HRM – Hubbards Recreation Centre).

Association, Society or Local Community Council

Those recreation area rates that are not currently an HRM business unit's responsibility are to be the responsibility of a form of association, society or the local Community Council. With the assistance of the Parks and Recreation Business Unit, they shall seek the approval of Regional Council for the Area Rate Fund's annual budget and business plan through the regular HRM business planning and budget process. They are responsible for making a determination if an expenditure is permissible and shall be expected to expend funds in accordance with the appropriate policies. Assistance and advice on compliance with policies and legislation will be provided by staff of Financial Services.

Financial Services

Staff of HRM Financial Services shall be responsible for processing the payment of expenditures; monitoring appropriateness of expenses; maintenance of financial records including all original receipts, invoices, and cheques requisitions; provision of advice on financial policies including procurement; quarterly financial reporting; and shall oversee the auditing of accounts as required.

2 - Procedures

2.1 Annual business plan and detailed budget is to be completed by the HRM Business Unit, Association, Society, or Local Community Council and submitted in accordance with HRM's annual budget and business planning process. All expenditures are to be made in accordance with the approved budget and business plan.

2.2.1 Requests for payment of an invoice or reimbursement are to be completed by the HRM Business Unit, Association, Society or Local Community Council and sent to Financial Services.

2.2.2 The requests for payment should include the appropriate documentation (i.e., an invoice or receipt) and the supporting documentation should be signed by the HRM Business Unit, Association, Society or Local Community Council indicating the expenditure is in accordance with the appropriate policies and the good or service has been satisfactorily received.

2.3 Issuance of Payment – the signed originals attached to the requests for payment are reviewed by HRM Financial Services for compliance with the budget, business plan and appropriate policies and, then, cheques will be issued. Original documentation is retained in the files maintained by Financial Services.

2.4.1 Reporting – a financial report for each area rate fund will be prepared by Financial Services on a quarterly basis and the information provided to the HRM business unit, area rate society or association or Community Council and to Regional Council.

2.4.2 The Recreation Area Rate will be included in the annual audit and requests for a more detailed review will be evaluated by the HRM Business Systems and Control Group. Such a review may check for complete and appropriate documentation, compliance with policies, the fair and consistent application of policies, accurate reporting and any other issues determined relevant by the review team.

Framework for Area Rates

Original Implementation Date: October 22, 2013 Approved by: Regional Council

Date of Last Revision: Approved by:

Effective Date of Last Revision: Approved by:

1 – Framework for Area Rates

Premise:

The property tax system in Halifax assumes that property values are a proxy for income and that municipal services are not a key driver of property values.

HRM recognizes that municipal government is about the sharing of costs and that equal services are unlikely to be available everywhere, rather different parts of the municipality

- Grow and develop at different rates
- Have local or specific needs that are met in unique ways
- Use infrastructure and services not just within their neighbourhood but across the region.

As such, Halifax recognizes that municipal services may benefit everyone, and to the extent that all benefit, all should share in the cost of the service.

Key Principle on Service Taxation:

As its foremost principle, the service standards established by Council should determine the scope of the tax structure. That Tax Structure should follow Council's service standards and levels, rather than determine the standards and levels. Before levying a tax other than the general rate of tax for all Halifax, Council must answer the following four critical questions about the service:

1. Where is the service and where will it be available?
2. Who will benefit, either directly or indirectly, from the service?
3. Who have caused a need for the service?
4. Is the service standard or level different than elsewhere?

Exceptions to the General Rate of Tax on Services

All such municipal services should be general rated to all taxpayers unless,

1. Area Rates and Other Taxes

- a. **a significant minority of taxpayers have no practical access to a specific service.** Hence, Council may levy a very broad area tax rate (based on geographic area or distance from service). For example, the Regional Transportation Rate excludes areas outside the Commutershed.

- b. **a significant minority of taxpayers have access to a specific service that is unavailable elsewhere in the Region.**

Hence Council may levy a local or neighbourhood tax. For example, area rates for local neighbourhood associations.

Where users have been previously excluded from paying for a service but now access the service, Council may levy a tax, fee or charge for the existing capacity already paid for by other taxpayers or for the additional service capacity required. For example, Local Improvement or Development Charges.

2. User Fees and Charges

a service is used directly by a specific group or type of individuals and the Municipality has the ability to identify the users and restrict use of the service,

Hence Council may levy a fee, charge or tax on individuals for access to the service. For example, water and sewer charges, recreation and other fees.

3. Private Fees and Taxes

a service is privately owned and the public has no or limited access, in which case any fee or tax collected on their behalf shall be fully levied on the users and/or owners,

For example, private roads or private recreation facilities.

Tax Relief for Economic, Financial and Income Issues:

When appropriate, Council shall provide targeted tax relief for individuals or non-profit organizations of low or modest income. Council may also alter its tax structure to encourage or discourage certain behaviours, should it feel that the outcome would benefit the municipality as a whole.

- E.g. Low-income tax relief or deferral
- Lower taxes for non-profits
- Support for economic strategy
- Support for Regional Plan

Other Considerations for Deciding on Exceptions:

- Council should define each service broadly and not tax various parts of a service in ways that are inconsistent;
- Exceptions to service standards or levels should not be made, solely, on the basis of willingness to pay additional taxes;
- Special taxes should not be created for amounts that are immaterial in nature or as a guarantee for local fund raising;
- If HRM has acknowledged it is negligent, remediation should be general-rated regardless of the service.

LWF Ratepayer Association
PO Box 2035 Fall River NS B0N 2T0
lwfrainfo@gmail.com
lwfra.ca/



December 8, 2017

Bruce Fischer
Manager, Fiscal and Tax Policy
Halifax
PO Box 1749
Halifax, NS B3J 3A5

Dear Bruce,

When Steve Streach called me during the debate at HRM on July 18, 2017 he led me to believe that I could anticipate HRM staff reaching out to organize community feedback very quickly. Specifically, I understood Steve Streach was referencing the report 14.1.11 2017-18 Budgets and Business Plans for Area-Rated Services. I believe there was a commitment during the council meeting to a review of area rates. Nearly five months into a 12 month promise I felt it important to reach out and make sure the LWFRA is part of the process.

You may recall my July 17, 2017 letter to Mike Savage on behalf of the LWF Ratepayer Association noted problems with the staff report 14.1.11 2017-18 Budgets and Business Plans for Area-Rated Services. The section on the Lakeview-Windsor Junction-Fall River Ratepayers Association (LWFRA) as presented is deficient. It has errors and omissions. There are further assumptions in the document – beyond those about the LWFRA – that appear to be generalizations that do not apply to the LWF Area Rate.

How this motion came to be, how it was communicated and the result made this a difficult experience for our community board. If it wasn't for an outpouring of community support that engaged council, we would likely have folded under the constraints of the motion as submitted.

Because of our experience, I wanted to share the challenges we found in the documentation and process to help you as you move forward. Perhaps these lessons learned will help your team be consistent in the application and decisions for your review.

The first recommendation would be to complete community consultation. Most of what follows would have been uncovered through conversations with stakeholders.

Below you'll find a detailed response highlighting many of the issues with the Staff Report dated July 4th, 2017 submitted to Council on July 18, 2017.

Part of the learning is that not every area rate has the same history and falls under the same assumptions. It's important to re-visit the documents that define the organization as it exists now. In the case of the LWF Ratepayers Association it is notable that the preamble largely does not apply.

Specifically,

- 1) references in the pre-amble to "use of recreation are rate funds effective April 1, 2003" is of questionable application to the LWFRA. Our mandate is to promote projects which serve to improve the area of the association.
- 2) that section 3.2 Area Rates for Community Facilities & Services and Private Infrastructure states that "reserves or surplus carry forwards are not to occur without a Council approved business plan". Please note that in the absence of community consultation the submitted business plan, which listed several future projects money was earmarked for, was not referenced. It appears staff failed to review the report submitted as per HRM requirements.

In terms of consistency it's important to note that

- 3) Council decided to permit the continuation of two Common Area Rates (noted at the top of page 4) that lack all the controls of the established LWF Area Rate. For our association it seems like HRM is requiring LWFRA to submit to additional oversight without merit.

In addition, there are assumptions that have now been submitted to the HRM process and documentation that are untrue. As an organization we're not sure how to fix these errors and misunderstandings. How can we update the documentation of the LWF Area Rate Section (middle of page 4) to fix the following mistakes?

- 1) The opening notes monies are used to fund the WJCC, Keloose and Lakeview. This is an error as the funding has been used for other projects both historically and recently.
- 2) The 3rd sentence references "area rates that support private organizations or interests". This does not apply to the LWF Area Rate which has only provided funds to community organizations.
- 3) Line 6 states that LWF Ratepayers have traditionally funded the WJCC, Keloose and Lakeview Park and that the "addition of a grants program to be administered by LWF is relatively new". There are two errors in this sentence
 - a. The grant program (or special projects fund) was established immediately upon the creation of the area rate.

- b. Keloose is a relatively new funding partner.
- 4) On line 8 the statement is made that "in recent years the LWF has accumulated surplus funds and the society is proposing a grants program". This is inconsistent with the history of the LWF Ratepayers Association.
 - a. The LWF has had various levels of surplus over its years not just recently,
 - b. grants have been available and issued to various local interest groups over our entire history, and
 - c. all funds dispersed, including those to WJCC, Lakeview Park and Keloose are referred to as grants. This term was adopted as per the advice provided by HRM Finance when the treasurer and secretary of the LWFRA requested advice on how to label funds held in reserve for future projects.
- 5) Beginning on Line 10, "staff concluded that a private area rate is outside their accountability framework and should not be dispersing discretionary grants". The opening is entirely true. The LWF Area Ratepayers Association has the accountability to set the rate and disperse funds by the community. The Board and community set the area rate and budget through the Annual General Meeting of the LWFRA. The relationship with HRM is in implementation. The purpose of the LWFRA is dispersing the area rate for projects in the community. The term grant was recommended by HRM Finance.
 - a. Please note we believe this means the introduced step of approval through Community Council is not appropriate.
- 6) The penultimate sentence recommends the funds be held in abeyance. This appears to stretch the authority of HRM over residents' money accumulated by an elected community board who has maintained good standing with the requirements of the Societies Act and under HRM policy.

As the document moves into more general terms, there's again difficulty understanding what, if anything, applies to the LWF Ratepayers Association.

To the lay person, under the section labeled Review of Area Rates it appears Capital and Operation have been confounded. As this applies to LWF Ratepayers Association, the three highlighted funding partners have primarily accessed the area rate for operational costs.

General thoughts shared under Review of Area Rates do not appear relevant to the LWFRA. Our projects rarely occur on HRM land. While the frustration of staff with the associations they support is clear, please note that the LWFRA is in compliance with HRM requirements, operates under Roberts Rules, and the Societies Act. At our well attended AGM, in front of our local councillor, the Business Case, Budget and Area Rate were presented and passed unanimously.

Perhaps the most egregious and undemocratic error is the statement under the heading Community Engagement. In moving forward, the LWFRA strongly recommends HRM Finance comply with their own requirement to engage the community. It would make things better for the community involved, the ratepayers association, the Councillors and the HRM staff. Please note that at no time did you, HRM Finance, Barb Wilson, the local councillor or any other representative of HRM contact the LWF Ratepayers Association, the WJCC, the Lakeview Community Association, or the Keloose organization. No public consultation was held. No HRM representative participated or hosted a community event for ratepayers, fund recipients or the LWFRA board. I want to be perfectly clear that no one was contacted for any type of Community Engagement. Five months after the report was submitted to council, this is still true.

While HRM did not engage in our community, there is an engaged community. The AGM held June 19, 2017 by the LWF Ratepayers was very well attended. All motions, including the business plan and budget were unanimously passed.

Community consultation would have fixed many of the errors and omissions in the report. The lack of community consultation also meant nuances of the decisions made by the LWFRA were lost. There has been some irritation by the councillor at the practice of advertising available funding. It's important that you understand this was a decision made through the Board, and supported at an AGM. It helps to address the disparity between where money is collected and which areas have ongoing funding agreements. Seeking a balance though the community and including emerging groups that meet the mandate of the LWF Area Rate is important to our success in promoting projects which serve to improve the area of the association.

The LWFRA is a healthy organization prepared to work with HRM. We understand this was a learning experience, unfortunately a painful one for our association. Starting with this communication we are hoping to work with HRM towards five outcomes:

- 1) Participate in the review of Area Rates committed to at the July 18, 2017 Council meeting.
- 2) Improve the experience for other Rate Payers Associations.
- 3) Learn how to correct/replace the errors articulated in the report so they do not become embedded in our documented history.
- 4) Help HRM consistently apply assessments of associations.
- 5) Work to remove the oversight role of the Northwest Regional Council that is specific to the LWFRA.

As a next step I hope that you and your team can join a small committee of the LWF Ratepayer Association for a meeting to discuss how we can work to these goals together. Our committee is available for a meeting at HRM on any one of the following dates:

- January 10, 2018 – 10am
- January 11, 2018 – 6pm
- January 12, 2018 – 2pm

I look forward to meeting you Bruce.

Sincerely,

Original Signed

Marni Tuttle
President, LWFRA

Cc:

Mayor Mike Savage
Councillor Steve Streach