

**THE CORPORATION OF THE CITY OF GRAND FORKS
AGENDA – REGULAR MEETING**

**Monday May 12 – 7:00 p.m.
6641 Industrial Parkway (Old Canpar Office Building)**

	<u>ITEM</u>	<u>SUBJECT MATTER</u>	<u>RECOMMENDATION</u>
1.	<u>CALL TO ORDER</u>		
2.	<u>ADOPTION OF AGENDA</u>		
	a) Adoption of the May 12th, 2014 Regular Meeting Agenda		Adopt the Agenda
3.	<u>MINUTES</u>		
	a) April 28th, 2014 Minutes - Special Meeting To Go In-Camera - 28 Apr 2014.pdf	Special Meeting to go In-Camera Minutes	Adopt the minutes
	b) April 28th, 2014 Minutes - Regular Meeting - 28 Apr 2014.pdf	Regular Meeting Minutes	Adopt the minutes
	c) May 5th, 2014 Minutes - Special Meeting - 05 May 2014.pdf	Special Meeting Minutes	Adopt the minutes
4.	<u>REGISTERED PETITIONS AND DELEGATIONS</u>		
5.	<u>UNFINISHED BUSINESS</u>		
6.	<u>REPORTS, QUESTIONS AND INQUIRIES FROM MEMBERS OF COUNCIL (VERBAL)</u>		
	a) Corporate Officer's Report CAO Procedure Bylaw - Council.pdf	Verbal Reports of Council	That all reports of members of Council given verbally at this meeting, be received.
7.	<u>REPORT FROM COUNCIL'S REPRESENTATIVE TO THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY</u>		
	a) Corporate Officer's Report CAO procedure Bylaw - RDKB.pdf	RDKB Representatives Report	That the Mayor's report on the activities of the Regional District of Kootenay Boundary, given verbally at

this meeting be received.

8. **RECOMMENDATIONS FROM STAFF FOR DECISIONS**

- a) Manager of Development and Engineering Services
[RFD - Mobile Catering.pdf](#)

Mobile catering vendor on wheels in the downtown core

That Council approve one of the three options provided.

9. **REQUESTS ARISING FROM CORRESPONDENCE**

10. **INFORMATION ITEMS**

- a) Habitat for Humanity
[Sum of Info - Habitat for Humanity - Drag Races.pdf](#)

Request to host Drag Races at the Grand Forks Airport on August 16th, 2014.

That Council approves the request from Habitat for Humanity to host drag races at the Grand Forks Airport on August 16th, 2014.

- b) Chief Financial Officer
[Sum of Info -Charitable Status.pdf](#)

Non - Profits using the City's Charitable Status

Receive for Information

11. **BYLAWS**

- a) Chief Financial Officer
[Bylaw - Tax Rates Bylaw 1997.pdf](#)

Final reading of 2014 Tax Rates Bylaw 1997

That Council give final reading to the 2014 Tax Rates Bylaw 1997

12. **LATE ITEMS**

13. **QUESTIONS FROM THE PUBLIC AND THE MEDIA**

14. **ADJOURNMENT**

THE CORPORATION OF THE CITY OF GRAND FORKS

SPECIAL MEETING OF COUNCIL
MONDAY, APRIL 28th, 2014

PRESENT:

MAYOR BRIAN TAYLOR
COUNCILLOR BOB KENDEL
COUNCILLOR NEIL KROG
COUNCILLOR PATRICK O'DOHERTY
COUNCILLOR GARY SMITH
COUNCILLOR MICHAEL WIRISCHAGIN
COUNCILLOR CHER WYERS

CHIEF ADMINISTRATIVE OFFICER
CORPORATE OFFICER
CHIEF FINANCIAL OFFICER
DEPUTY CORPORATE OFFICER

GALLERY

D. Allin
D. Heinrich
R. Shepherd
S. Winton

CALL TO ORDER

IN-CAMERA RESOLUTION

Resolution required to go into an In-Camera meeting

- a) Adopt resolution as per section 90 as follows:

MOTION: KROG / O'DOHERTY

RESOLVED THAT COUNCIL CONVENE AN IN-CAMERA MEETING AS OUTLINED UNDER SECTION 90 OF THE COMMUNITY CHARTER TO DISCUSS MATTERS IN A CLOSED MEETING WHICH ARE THE SUBJECT OF SECTIONS 90(1)(I) DISCUSSIONS WITH MUNICIPAL OFFICERS AND EMPLOYEES RESPECTING MUNICIPAL OBJECTIVES, MEASURES AND PROGRESS REPORTS FOR THE PURPOSES OF PREPARING AN ANNUAL REPORT UNDER SECTION 98 OF THE COMMUNITY CHARTER; AND SECTION 90 (1) (K) NEGOTIATIONS AND RELATED DISCUSSIONS RESPECTING THE PROPOSED PROVISION IF A MUNICIPAL SERVICE THAT ARE AT THEIR PRELIMINARY STAGES AND THAT, IN THE VIEW OF THE COUNCIL, COULD REASONABLY BE EXPECTED TO HARM THE INTERESTS OF THE MUNICIPALITY IF THEY WERE HELD IN PUBLIC; AND SECTION 90 (1) (e) ACQUISITION, DISPOSITION OF EXPROPRIATION OF LAND OR IMPROVEMENTS THAT COULD REASONABLY BE EXPECTED TO HARM THE INTERESTS OF THE MUNICIPALITY

BE IT FURTHER RESOLVED THAT PERSONS, OTHER THAN MEMBERS, OFFICERS, OR OTHER PERSONS TO WHOM COUNCIL MAY DEEM NECESSARY TO CONDUCT CITY BUSINESS, WILL BE EXCLUDED FROM THE IN-CAMERA MEETING.

CARRIED.

LATE ITEMS

ADJOURNMENT

MOTION: O'DOHERTY / KENDEL

**RESOLVED THAT THE APRIL 28TH, 2014 SPECIAL MEETING TO GO IN - CAMERA
ADJOURNED AT 5:30PM**

CARRIED.

CERTIFIED CORRECT:

MAYOR BRIAN TAYLOR

DEPUTY CORPORATE OFFICER- SARAH
WINTON

THE CORPORATION OF THE CITY OF GRAND FORKS

REGULAR MEETING OF COUNCIL
MONDAY, APRIL 28TH, 2014.

PRESENT: MAYOR BRIAN TAYLOR
COUNCILLOR BOB KENDEL
COUNCILLOR NEIL KROG
COUNCILLOR PATRICK O'DOHERTY
COUNCILLOR GARY SMITH
COUNCILLOR MICHAEL WIRISCHAGIN
COUNCILLOR CHER WYERS

CHIEF ADMINISTRATIVE OFFICER
CORPORATE OFFICER
CHIEF FINANCIAL OFFICER
DEPUTY CORPORATE OFFICER
GALLERY

D. Allin
D. Heinrich
R. Shepherd
S. Winton

CALL TO ORDER

- a) The Mayor called the meeting to order at 7:15pm
-
-

ADOPTION OF AGENDA

The Mayor advised that there is a late item to be included in the Agenda under Registered Petitions and Delegations - the External Auditor's Presentation of the 2013 Financial Statements

- a) Adoption of the April 28th, 2014, Regular Meeting Agenda

MOTION: WYERS / O'DOHERTY

RESOLVED THAT COUNCIL ADOPT THE APRIL 28TH, 2014 AGENDA AS AMENDED.

CARRIED.

MINUTES

- a) Adoption of the April 7th, 2014 COTW Meeting Minutes

MOTION: KENDEL / O'DOHERTY

RESOLVED THAT THE APRIL 7TH, 2014, COTW MEETING MINUTES ARE ADOPTED AS PRESENTED.

CARRIED.

-
- b) Adoption of the April 7th, 2014 Regular Meeting Minutes

MOTION: O'DOHERTY / WIRISCHAGIN

RESOLVED THAT THE APRIL 7TH, 2014, REGULAR MEETING MINUTES ARE ADOPTED AS PRESENTED.

CARRIED.

REGISTERED PETITIONS AND DELEGATIONS

- a) Chief Financial Officer - 2013 Audited Financial Statements

Gaetana Dermody representative of Berg, Lehmann Chartered Accountants presented the City of Grand Forks 2013 Audited Financial Statements.

MOTION: O'DOHERTY / KROG

RESOLVED THAT COUNCIL RECEIVE THE PRESENTATION MADE BY BERG, LEHMANN CHARTERED ACCOUNTANTS WITH REGARD TO THE 2013 AUDITED FINANCIAL STATEMENTS AND FURTHER APPROVES AND ACCEPTS THE 2013 AUDITED FINANCIAL STATEMENTS AS REQUIRED UNDER THE COMMUNITY CHARTER.

CARRIED.

UNFINISHED BUSINESS

REPORTS, QUESTIONS AND INQUIRIES FROM MEMBERS OF COUNCIL (VERBAL)

6.1. Corporate Officer's Report

Verbal Reports of Council

Councillor O'Doherty

He reported that:

- The Grand Forks International Committee and baseball teams have been busy getting ready for the tournament.

Councillor Wyers

She reported that:

- On April 8th -11th she attended AKBLG in Creston. There were 17 resolutions that were approved and will be sent on the UBCM.
- On April 15th she attended the Kettle River Water Shed Management Plan meeting "By the Rivers Edge" which was regarding wetland issues.
- The Grand Forks and Regional Public Library AGM took place on April 16th. She

advised that stats were up in this quarter and there is a new board in place. The annual Starlight Dinner raffle is taking place again this year on July 19th, 2014.

- On April 17th, the FCM Head Start for Young Women met with MLA, Linda Larson for lunch.
- On April 17th, Citizens on Patrol met and has three new volunteers.
- April 22nd, was Earth Day and the RDKB celebrated by hosting a Trash to Treasure event.
- On April 22nd she attended the Air Cadets retirement dinner for Captain James Newal of the Boundary Squadron who has volunteered for 9 years in the Youth Leadership Program.
- She announced that the Grand Forks and Boundary Regional Agricultural Society is hosting their AGM on April 28th at 6pm at Selkirk College in room 8.
- The Boundary Dog Sled Association AGM is being held at the station pub upstairs - 7pm on April 28th.
- There is a Friends of the Library book sale at the local library on May 3rd at 10am
- Drinking Water Week is May 4th-10th. On May 8th the City is hosting an open house at Well #4/5 from 12pm-3pm, and everyone is encouraged to attend.

Councillor Kendel

He reported that:

- He attended AKBLG from April 8th-11th, and found it informative.
- On April 26th he attended the solar workshop at the Boundary Museum and Interpretive Center where they are in the process of installing a new solar system.
- He is extending an invitation to the public to attend the annual Mother's Day dinner held at Rilko's store each Mother's day. The proceeds are donated to a charity.

Councillor Krog

He reported that:

- He attended the April 10th board meeting at Gallery 2 where details are being finalized for the Gallery's 20th birthday party and he advised that the gift shop renovations are complete.
- He attended The Boundary District Arts Council Show Case at Grand Forks Secondary School which is put on every year in celebration of the beginning of Arts and Culture Week. He advised that it was the 15th year that this group has hosted the concert.
- On April 26th he attended a reception at Gallery 2 where artists and performers celebrated Arts and Culture Week.
- On April 28th he attended the Community Literacy Advisory Committee meeting at Selkirk College where the group reviewed the 3 year literacy plan for the Boundary.

Councillor Smith

He reported that:

- He attended AKBLG in Creston from April 8th -11th.
- He attended the April 25th Deer Committee meeting and spring count. The Count is at 166 animals this spring and the committee is in discussions regarding submitting a request to the province to provide collar monitoring for the deer, and regarding a possible deer cull.
- On April 26th he said a few words at the 15th annual Boundary and District Arts Council Show Case at Gallery 2 for Arts Week.
- The Bat Houses will be installed throughout the community shortly.

- On May 7th he will be at Hutton Elementary School assisting other members of the Environment Committee with solar car building.

Councillor Wirischagin
He had no report.

Mayor Taylor
He reported that:

- He thanked Councillor Smith for attending the Arts week event at Gallery 2 in his place.
- There are individuals in the community who have come forward and are willing to work on a cat welfare program. He looked at the cat program Ferry County uses and although it wouldn't be suitable for this area he understands that there is an existing group of volunteers from here to Colville that participate in the program and have expressed interest in participating in a cat welfare program in Grand Forks.
- The City has awarded the water meter installation contract to Neptune .
- He has been informed that the Federal and Provincial programs for infrastructure dollars has been delayed due to lack of funds, the government has announced that there is no money until 2016.

Council discussed the option to request that staff bring back a proposal to address some of the infrastructure deterioration in the area.

Council discussed providing the Mayor's cup for the Park in the Park Car show; Councillor Krog advised that he has the trophy for the prize for Mayor's Choice award.

MOTION: SMITH / O'DOHERTY

RESOLVED THAT COUNCIL REQUEST STAFF PROVIDE A REPORT TO COUNCIL THAT RESEARCHES AND PRIORITIZES FOR REPAIR AREAS WITH DETERIORATING ROAD INFRASTRUCTURE WITHIN THE CITY AND FURTHER IDENTIFIES FUNDING OPPORTUNITIES FOR COUNCIL'S CONSIDERATION.

CARRIED.

MOTION: O'DOHERTY / KROG

RESOLVED THAT ALL REPORTS OF MEMBERS OF COUNCIL, GIVEN VERBALLY AT THIS MEETING, BE RECEIVED.

CARRIED.

REPORT FROM COUNCIL'S REPRESENTATIVE TO THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY

a) Corporate Officers Report

Mayor Taylor spoke with regard to the Mayor's Caucus Meeting and the discussion regarding the relevancy of the current Regional District mandate.

MOTION: KROG / O'DOHERTY

RESOLVED THAT THE MAYOR'S REPORT ON THE ACTIVITIES OF THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY, GIVEN VERBALLY AT THIS MEETING BE RECEIVED.

CARRIED.

RECOMMENDATIONS FROM STAFF FOR DECISIONS

a) Corporate Services

Main Floor and Second Floor of City Hall rebuild

The Chief Administrative Officer spoke with regard to the timeline and expenditures for the rebuild.

MOTION: WYERS / WIRISCHAGIN

RESOLVED THAT COUNCIL APPROVES THE FINISHES AND LAYOUT PROPOSAL, AS PRESENTED BY STAFF, FOR THE MAIN FLOOR AND SECOND FLOOR OF CITY HALL, AND FURTHER DIRECTS STAFF TO MOVE FORWARD WITH THE PROJECT WITHIN THE INSURANCE ALLOTMENT.

CARRIED.

b) Chief Administrative Officer

Policy #616 - "Respectful Workplace Policy"

MOTION: O'DOHERTY / SMITH

RESOLVED THAT COUNCIL ADOPT POLICY #616 - "REPECTFUL WORKPLACE POLICY".

CARRIED.

REQUESTS ARISING FROM CORRESPONDENCE

INFORMATION ITEMS

a) 2014 BC Commuter Challenge

Councillor Wyers advised that there is an event being organized for the 2014 BC Commuter Challenge
Receive for information

b) Boundary Taxi Company

Receive for information

c) Phyllis Dubosoff

Request that Council take a formal stance on the Agricultural Land Reserve changes that the Province is proposing.

Receive correspondence for information and discussion.

d) Chief Administrative Officer

LGMA Article - "Proactive Transparency"

Receive for information

BYLAWS

a) Manager of Development and Engineering

Bylaw 1995, A Bylaw to close and remove the dedication of a road shown on Plan 586, District Lot 380, SDYD, as shown on schedule "A" reference plan and forming part of the bylaw.

MOTION: SMITH / KROG

RESOLVED THAT THAT COUNCIL GIVE FINAL READING TO BYLAW NO. 1995, BEING A BYLAW TO CLOSE AND REMOVE THE DEDICATION OF A ROAD SHOWN ON PLAN 586, DISTRICT LOT 380, S.D.Y.D., AS SHOWN ON SCHEDULE "A" REFERENCE PLAN AND FORMING PART OF THE BYLAW.

CARRIED.

b) Chief Financial Officer

Introduction of the 2014 Tax Rates Bylaw 1997

The Chief Financial Officer advised that this is the introduction of the Tax Rates bylaw and there is a Special Meeting on May 5th, that is open to the public, for the first three readings of the 2014 Tax Rates Bylaw and further reviewed the proposed Tax Rate Bylaw options to Council.

The Chief Financial Officer advised that a parcel tax would be applied in order to pay for the Fire truck, which came in under budget. The tax would be applied as part of the 2015 budget. The parcel tax would be applied to all properties (residential and commercial).

The Mayor reiterated that this is up for decision at the May 5th meeting.

MOTION: O'DOHERTY / SMITH

**RESOLVED THAT THAT COUNCIL GIVE FIRST THREE READINGS TO 2014 TAX RATES BYLAW 1997 AS REFERRED TO THE SPECIAL MEETING OF MAY 5TH, 2014;
AND FURTHER THAT COUNCIL APPROVES THE REQUEST FROM STAFF FOR THE PUBLIC TO SPEAK OR ASK QUESTIONS WITH REGARD TO THE TAX RATES BYLAW.**

CARRIED.

-
- c) Chief Financial Officer
2014-2018 Financial Plan Bylaw 1996

MOTION: O'DOHERTY / SMITH

RESOLVED THAT COUNCIL ADOPT 2014-2018 FINANCIAL PLAN BYLAW 1996

CARRIED.

Councillor Wirischagin opposed the motion

LATE ITEMS

QUESTIONS FROM THE PUBLIC AND THE MEDIA

- a) Mr. Forrest Seminoff
He spoke with regard to water meters.

Ms. Beverly Tripp
She spoke with regard to an information sharing meeting at Kokamos from 10am on Wednesday April 30th, to discuss RF radiation and water meters. She belongs to the C4ST "Canadians 4 Safe Technology".

Ms. Silvia Treptow through Les Johnson
She spoke with regard to water meter installation.

Ms. Donna Seminoff
She spoke with regard to water meters.

Mr. Donald Pharand
He spoke with regard to water meters.

ADJOURNMENT

The Mayor adjourned the meeting at 8:50pm

CERTIFIED CORRECT:

MAYOR BRIAN TAYLOR

DEPUTY CORPORATE OFFICER- SARAH WINTON

NOT ADOPTED, SUBJECT TO CHANGE

THE CORPORATION OF THE CITY OF GRAND FORKS

SPECIAL MEETING OF COUNCIL
MONDAY, MAY 5TH, 2014.

PRESENT: MAYOR BRIAN TAYLOR
COUNCILLOR BOB KENDEL
COUNCILLOR NEIL KROG
COUNCILLOR PATRICK O'DOHERTY
COUNCILLOR GARY SMITH
COUNCILLOR MICHAEL WIRISCHAGIN
COUNCILLOR CHER WYERS

CORPORATE OFFICER
CHIEF FINANCIAL OFFICER
DEPUTY CORPORATE OFFICER
GALLERY

D. Heinrich
R. Shepherd
S. Winton

CALL TO ORDER

- a) The Mayor called the May 5th, 2014 Special Meeting to order at 1PM.
-
-

ADOPTION OF MEETING AGENDA

- a) Adoption of May 5th, 2014 Special Meeting Agenda.

The Mayor added a question period to provide the public with the opportunity to ask questions with regard to the agenda.

MOTION: KENDEL / O'DOHERTY

RESOLVED THAT COUNCIL ADOPT THE MAY 5TH, 2014, SPECIAL MEETING AGENDA AS AMENDED.

CARRIED.

REGISTERED PETITIONS AND DELEGATIONS

UNFINISHED BUSINESS

RECOMMENDATIONS FROM STAFF FOR DECISIONS

REQUESTS ARISING FROM CORRESPONDENCE

BYLAWS

a) Chief Financial Officer

Tax Rates Bylaw 1997

The Chief Financial Officer presented three options to Council for consideration and recommended option number 2.

Councillor Smith advised that he supports Option 1.

Councillor Wirischagin advised he did not support Option 2, as he would like to see tax rates remain the same for individuals. He further advised that he supports Option 1.

Councillor Kendel advised that he supports Option 1.

The Chief Financial Officer advised that this puts major industry into a higher tax bracket.

Councillor Wyers advised that she would like to see a levelling of the tax burden between individuals and major industry.

Councillor O'Doherty advised that he supports Option 2, and that he does not feel that major industry should have higher rates.

The Chief Financial Officer advised that there was an increase in the 2013 industrial mill rate from 2012.

Councillor Wyers advised that the message to potential investors would not be that the City is open for business.

The Chief Financial Officer advised that with option 1 Industry class 4 (major industry) sees an increase and class 6 (business and light industry) decreases.

MOTION: O'DOHERTY / WYERS

RESOLVED THAT COUNCIL GIVE FIRST THREE READINGS TO 2014 TAX RATES BYLAW 1997, OPTION 2.

DEFEATED

MOTION: SMITH / KENDEL

RESOLVED THAT COUNCIL ACCEPT OPTION 1 OF THE 2014 TAX RATES BYLAW 1997.

CARRIED.

Councillors O'Doherty and Wyers opposed the motion.

MOTION: SMITH / KENDEL

RESOLVED THAT COUNCIL GIVE FIRST THREE READINGS TO 2014 TAX RATES BYLAW 1997, OPTION 1.

CARRIED.

Councillors O'Doherty and Wyers opposed the motion.

LATE ITEMS

- a) The Public spoke with regard to the Tax Rates Bylaw

Ms Christine Thompson

She spoke with regard to home owner grants, the tax exemption bylaw and impact of bylaw on major industry.

Mr. Les Johnson

He spoke with regard to the impact of tax rates on individuals of the community who are on a fixed income.

ADJOURNMENT

- a) Adjourn the meeting

MOTION: O'DOHERTY

RESOLVED THAT COUNCIL ADJOURN THE MAY 5TH, 2014 SPECIAL MEETING AT 1:32PM.

CARRIED.

CERTIFIED CORRECT:

MAYOR BRIAN TAYLOR

DEPUTY CORPORATE OFFICER- SARAH WINTON

REQUEST FOR DECISION

— REGULAR MEETING —



To: Mayor and Council
From: Procedure Bylaw / Chief Administrative Officer
Date: May 12th, 2014
Subject: Reports, Questions and Inquiries from the Members of Council
Recommendation: **RESOLVED THAT ALL REPORTS OF MEMBERS OF COUNCIL, GIVEN VERBALLY AT THIS MEETING, BE RECEIVED.**

BACKGROUND: Under the City's Procedures Bylaw No. 1946, 2013, the Order of Business permits the members of Council to report to the Community on issues, bring community issues for discussion and initiate action through motions of Council, ask questions on matters pertaining to the City Operations and inquire on any issues and reports.

Benefits or Impacts of the Recommendation:

General: The main advantage of using this approach is to bring the matter before Council on behalf of constituents. Immediate action might result in inordinate amount of resource inadvertently directed without specific approval in the financial plan.

Strategic Impact: Members of Council may ask questions, seek clarification and report on issues.

Policy/Legislation: The Procedure Bylaw is the governing document setting out the Order of Business at a Council meeting.

Recommendation: **RESOLVED THAT ALL REPORTS OF MEMBERS OF COUNCIL, GIVEN VERBALLY AT THIS MEETING, BE RECEIVED.**

- OPTIONS:**
- 1. RESOLVED THAT ALL REPORTS OF MEMBERS OF COUNCIL, GIVEN VERBALLY AT THIS MEETING, BE RECEIVED**
 - 2. RESOLVED THAT COUNCIL DOES NOT RECEIVE THE REPORTS FROM MEMBERS OF COUNCIL.**
 - 3. RESOLVED THAT COUNCIL REFERS THE MATTER BACK TO STAFF FOR FURTHER INFORMATION.**
-

 Department Head or CAO	 Chief Administrative Officer
---	--

REQUEST FOR DECISION

— REGULAR MEETING —



To: Mayor and Council

From: Procedure Bylaw / Council

Date: May 12th, 2014

Subject: Report – from the Council's Representative to the Regional District of Kootenay Boundary

Recommendation: **RESOLVED THAT THE MAYOR'S REPORT ON THE ACTIVITIES OF THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY, GIVEN VERBALLY AT THIS MEETING BE RECEIVED.**

BACKGROUND: Under the City's Procedures Bylaw No. 1946, 2013, the Order of Business permits the City's representative to the Regional District of Kootenay to report to Council and the Community on issues, and actions of the Regional District of Kootenay Boundary.

Benefits or Impacts of the Recommendation:

General: The main advantage is that all of Council and the Public is provided with information on the Regional District of Kootenay Boundary.

Policy/Legislation: The Procedure Bylaw is the governing document setting out the Order of Business at a Council meeting.

Recommendation: **RESOLVED THAT THE MAYOR'S REPORT ON THE ACTIVITIES OF THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY, GIVEN VERBALLY AT THIS MEETING BE RECEIVED.**

OPTIONS:

- 1. RESOLVED THAT THE MAYOR'S REPORT ON THE ACTIVITIES OF THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY, GIVEN VERBALLY AT THIS MEETING BE RECEIVED.**
- 2. RECEIVE THE REPORT AND REFER ANY ISSUES FOR FURTHER DISCUSSION OR A REPORT: UNDER THIS OPTION, COUNCIL PROVIDED WITH THE INFORMATION GIVEN VERBALLY BY THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY DIRECTOR REPRESENTING COUNCIL AND REQUESTS FURTHER RESEARCH OR CLARIFICATION OF INFORMATION FROM STAFF ON A REGIONAL DISTRICT ISSUE**

 Department Head or CAO	 Chief Administrative Officer
---	--

REQUEST FOR DECISION

— REGULAR MEETING —



To: Mayor and Council
From: Manager of Development & Engineering Services
Date: May 12, 2014
Subject: Mobile Catering Vendor on Wheels in the Downtown Core
Recommendation: **RESOLVED THAT** that Council approve one of the three options.

BACKGROUND: Hugo Del Aguila, formerly of Del's Bistro has requested permission to operate a seasonal, fully licenced mobile catering vendor on wheels business in the downtown core. He has collected letters of support from downtown merchants for his proposed business venture, which is attached to this report. Also attached are drawings showing the location of the mobile catering trailer and the proposed landscaping and placement of picnic tables for the spring, summer and fall months. The trailer and picnic tables will be removed from the property in the winter. He also wishes to put a 71 square foot mechanical room to supply electricity to the trailer and a washroom facility for Staff. If Council approves the venture, Mr. Del Aguila would be required to purchase and maintain a valid business licence to do business in Grand Forks.

The City's zoning bylaw does not specifically address "mobile catering vendor" as a permitted use, in any zone.

At the May 12, 2014 Committee of the Whole meeting the Committee recommended to Council to approve one of the following options:

- To approve the proposal, or
- To approve a temporary use permit, or
- To not approve the proposal.

Benefits or Impacts of the Recommendation:

General: The City promotes to attract and keep new and existing business in Grand Forks, which in turn provides for increased visitor and resident visits to the downtown core.

Strategic Impact: Continuing business in Grand Forks.

Financial: Business Licence fees would be generated and paid to the City.

Policy/Legislation: N/A

Attachments:

- Letters of support from downtown merchants;
- Plan showing the proposed business operations and landscaping of the lot.

REQUEST FOR DECISION

— REGULAR MEETING —



Recommendation: **RESOLVED THAT** that Council approve one of the three options listed below.

OPTIONS: 1. **RESOLVED THAT COUNCIL APPROVE THE PROPOSAL.**
 2. **RESOLVED THAT COUNCIL APPROVE A TEMPORARY USE PERMIT.**
 3. **RESOLVED THAT COUNCIL DOES NOT APPROVE THE PROPOSAL.**

	
Department Head or CAO	Chief Administrative Officer



Regional Chamber of Commerce

boundarychamber.com

Downtown Business Association
Board of Directors

April 28th 2014

To Whom It May Concern:

Re: Letter of Support— Mobile Catering Vendor

This letter is being provided in support of the Mobile Catering Vendor on wheels in the downtown core of Grand Forks.



Our primary concerns are that the unit is in and continues to be in compliance with city bylaws and regulations the same as if they were a fixed structure.

We feel that the mobile catering vendor would provide an excellent business opportunity for Grand Forks and the Boundary area.


Sincerely,

James Wilson
Executive Director
Boundary Country Regional Chamber of Commerce

Dave Bachmier
Board Chair
Downtown Business Association

From:  Grand Forks Home Hardware <gfhomehardware@gmail.com> 2 

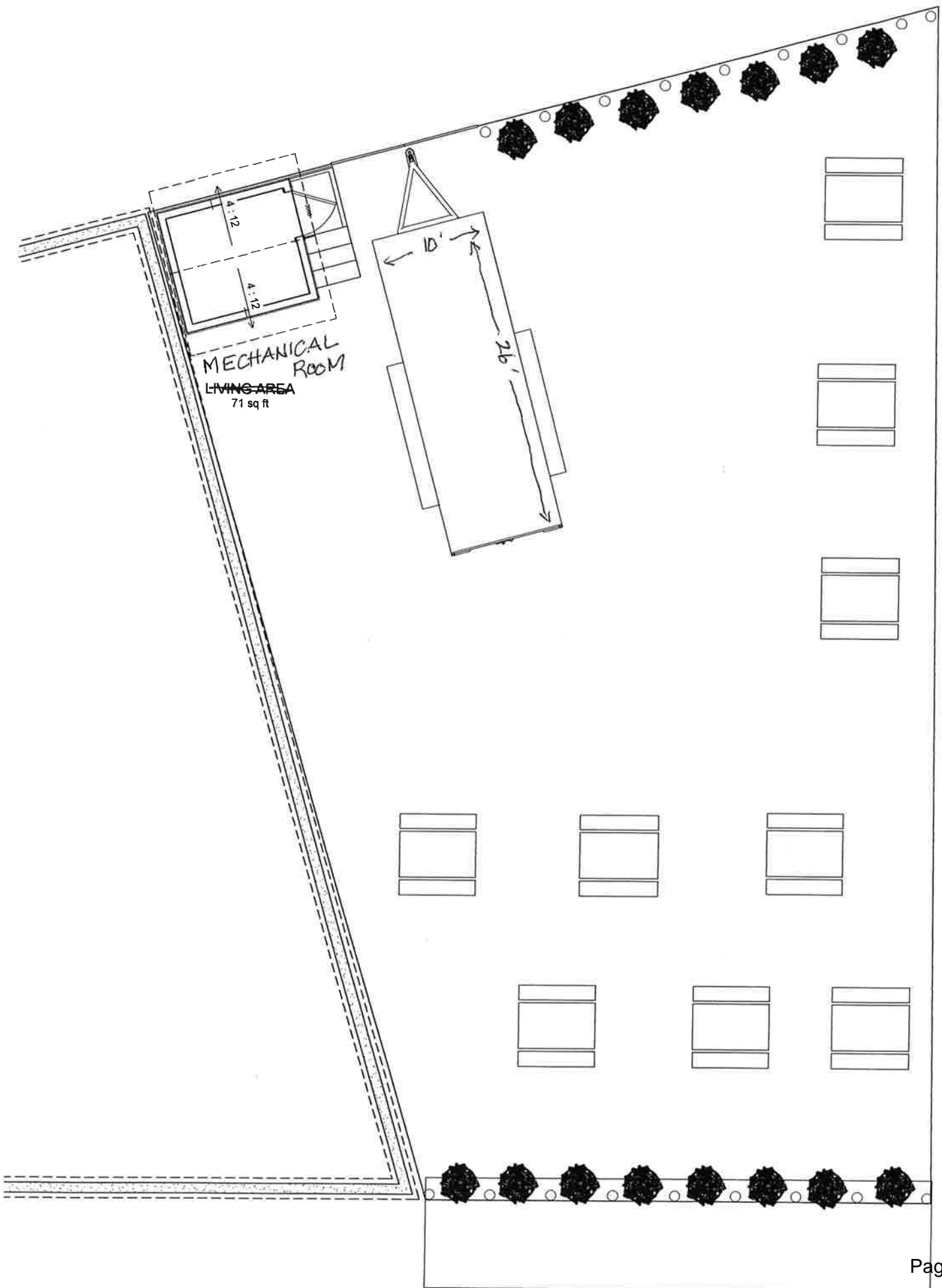
Subject: [BULK] New Business

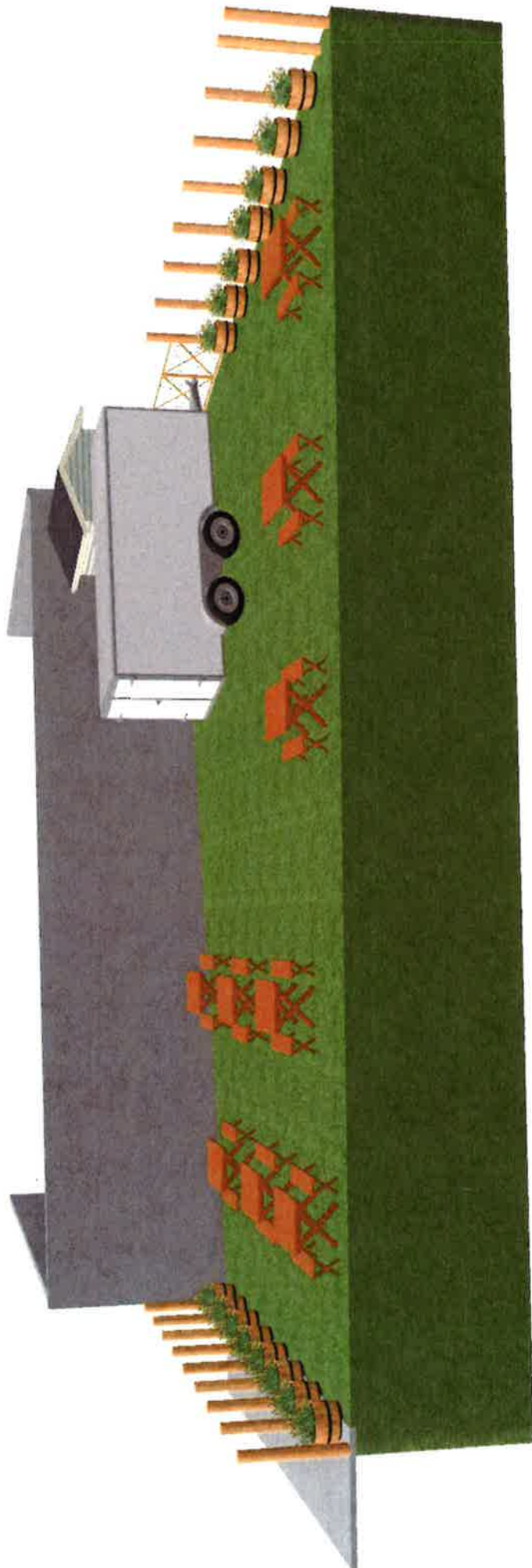
To:  **Sasha Bird**

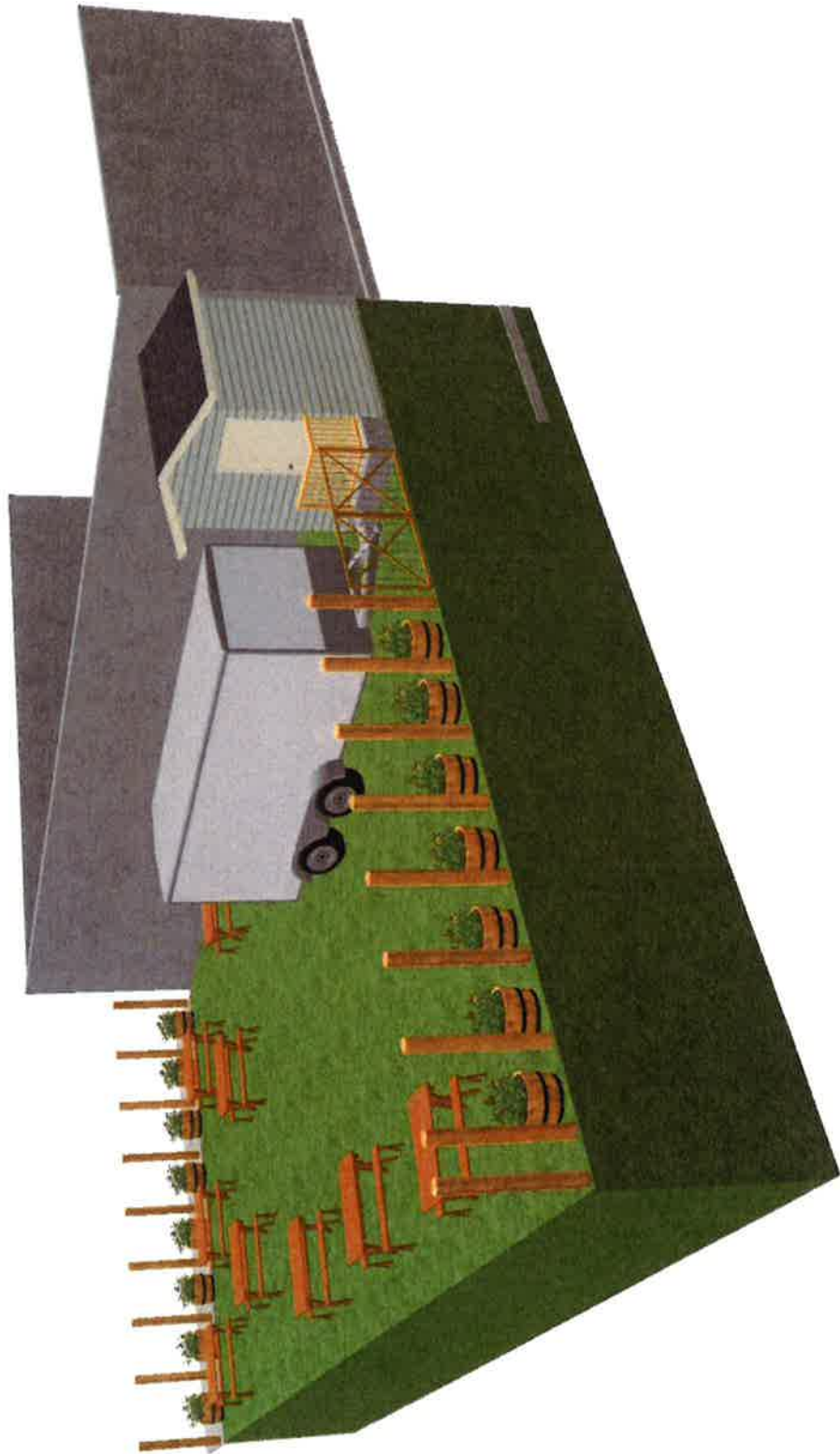
I AM ALL FOR THE MOBILE TRUCK TO SELL FOOD ON THE CORNER ACROSS FROM MY BUSINESS THE OWNER HAS ALWAYS BEEN A GOOD HARD WORKING PERSON AND I THINK THAT HIS PLANS WILL BE GOOD. I HAVE NO PROBLEM WITH HIS CONCEPT AND HIS PLANS LETS BRING ALL THE BUSINESS WE CAN TO OUR DOWNTOWN CORE. ITS LOOKING RATHE BAD WITH ALL THE EMPTY STORE FRONTS.

KATHY BOISVENUE

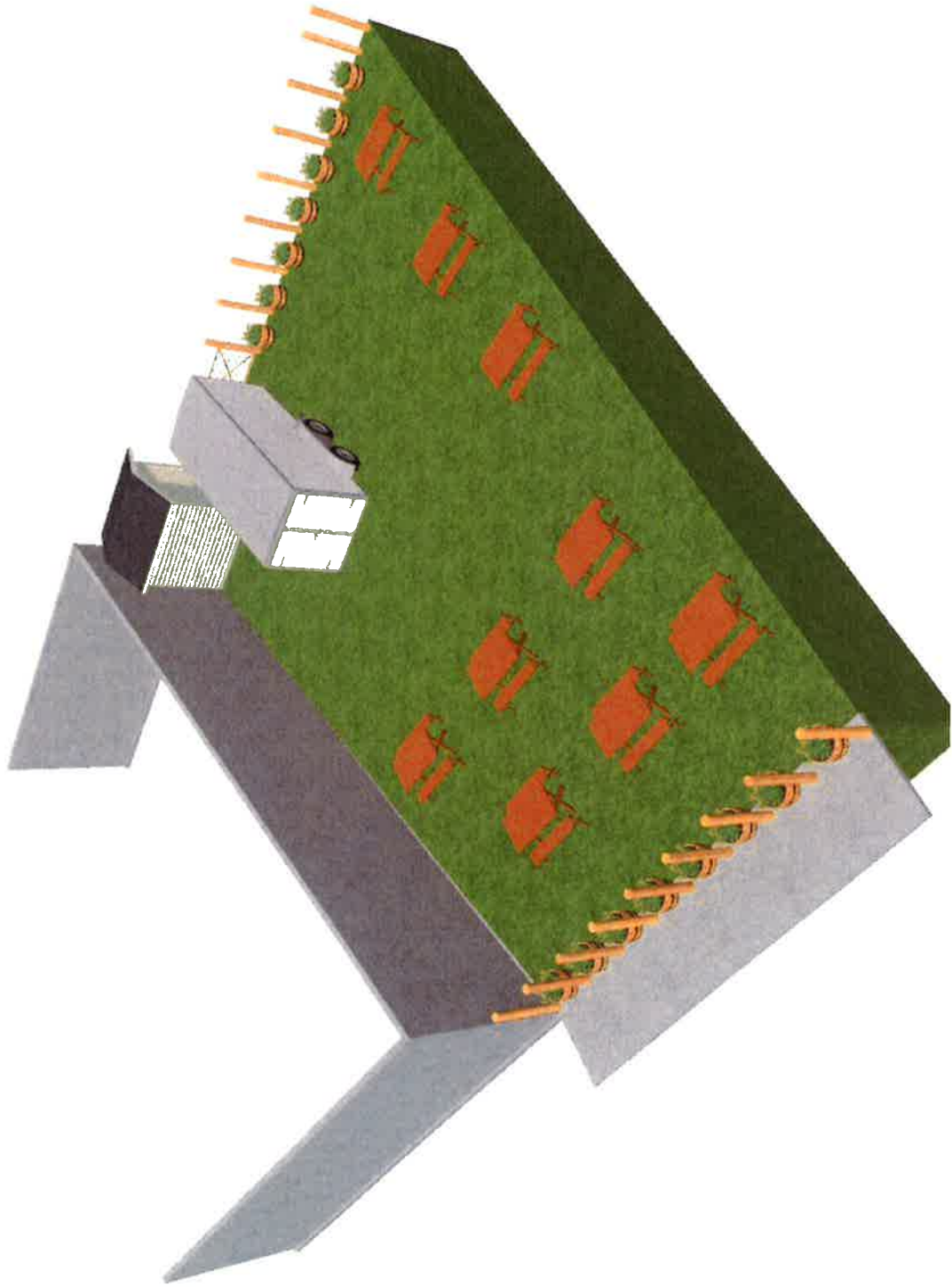
GRAND FORKS HOME HARDWARE

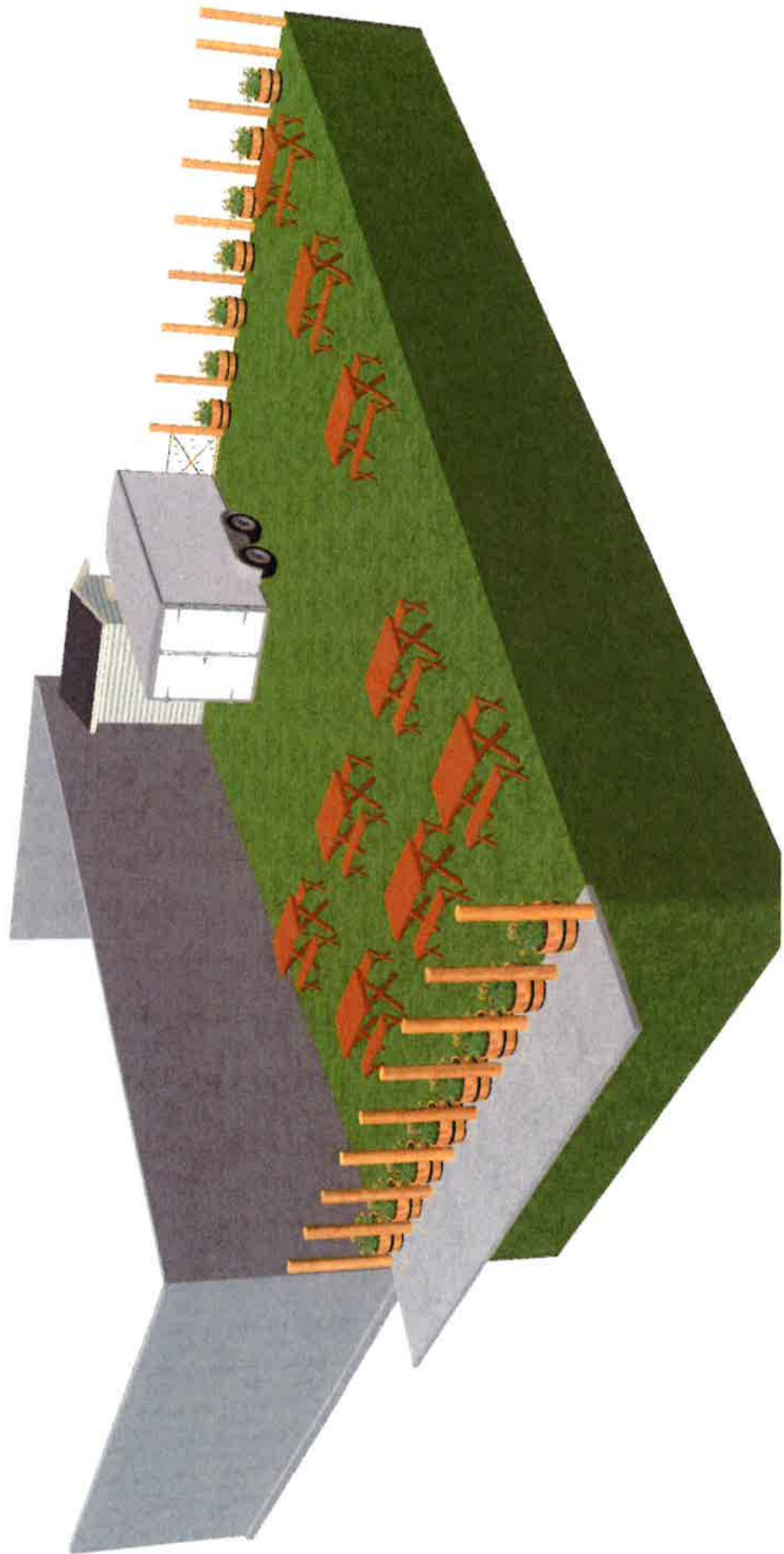


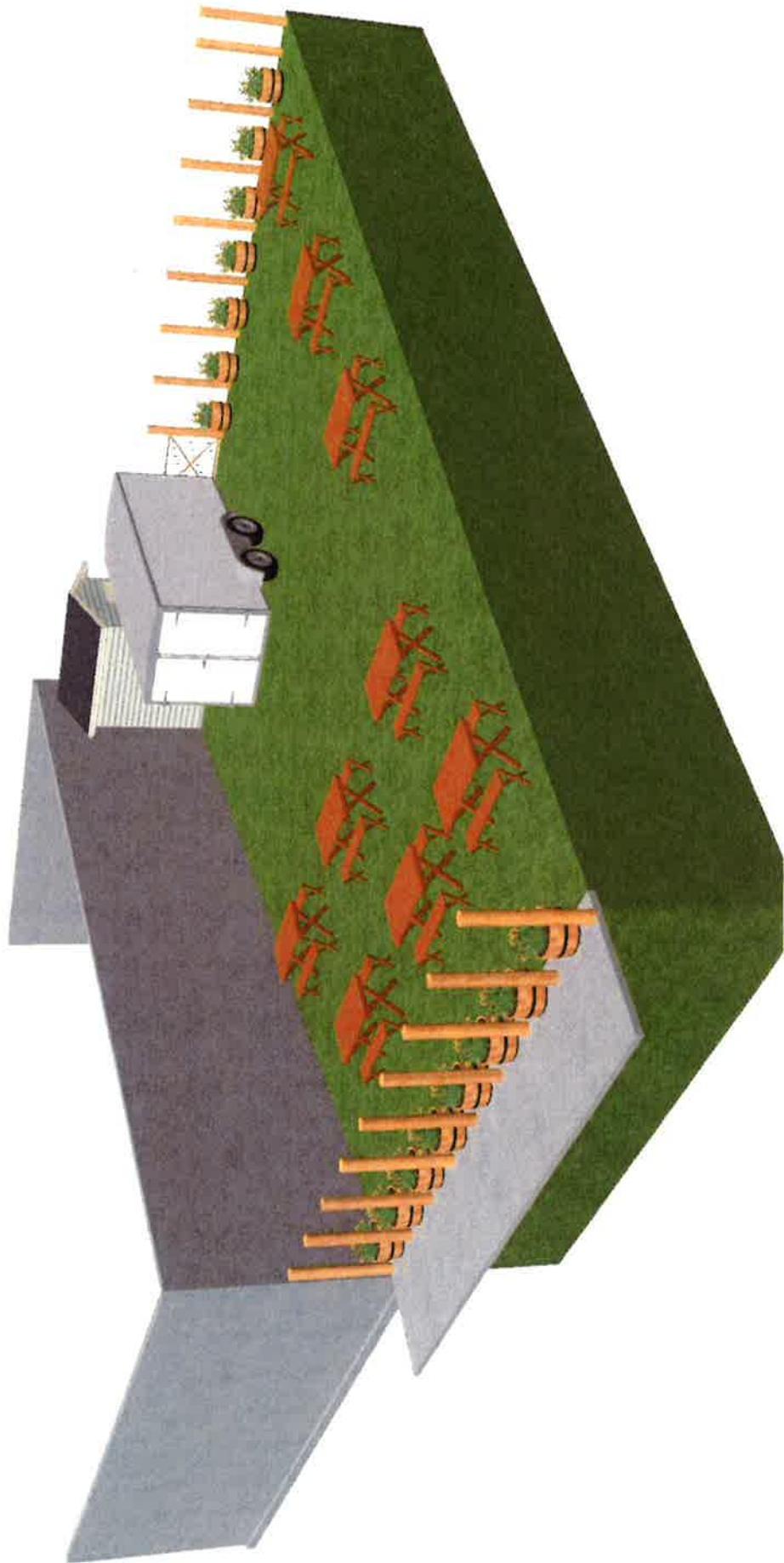














April 21, 2014

The City of Grand Forks

Dear Mayor and Council,

Habitat for Humanity is planning a fund raising event for the MAAP project – still short of funds.

We would like to put on “Old Fashioned” drag races, and tie our fund raiser into the “Cars in the Park” event planned for mid-August. The ideal venue for the drag races is the Grand Forks airport, and we are requesting that the City close the Airport for August 16th, 2014. Medevac services are still available thanks to the new heli-port at the hospital.

Harold Kopan and Bob Kendall are the primary planners for the drag races. Timing equipment, lights and insurance will be provided by the Osoyoos drag racing club. We will approach the ambulance service and volunteer fire department for their assistance in the event.

The drag races are intended to be a family event, with modest spectator fees and participant entry fees, running from approximately 11 am until 3:30 pm. We are excited about this opportunity, and visualize it becoming an annual Habitat for Humanity fund raiser. The car show folks are excited because it will draw more of their folks into the show, and provide them the chance to run their cars in the drags if they wish. This could become a signature event for Habitat, Cars in the Park and the City.

Habitat is also thinking about incorporating our “Raising the Roof” benefit concert on August 15th, to capitalize on the visitor crowd that weekend. Raise the Roof, Raise a little hell. As this will be an automobile focused event, no beer gardens are planned.

Thank you for considering our request for closure of the Airport on August 16th, your earliest reply is appreciated which will enable us to promote this event to the automobile clubs.

Looking forward to a great August weekend,

Rick Friesen, executive director
Habitat for Humanity Boundary

A handwritten signature in blue ink, appearing to read "Rick Friesen".

MEMORANDUM



DATE : May 1, 2014

TO : Mayor and Council

FROM : Chief Financial Officer

SUBJECT : Non-Profits using the City's Charitable Status

In 2012 there were amendments to the Income Tax Act that required municipalities to apply to become 'qualified donees' in order to be able to issue charitable tax receipts to individuals and corporations, and receive gifts from registered charities.

Many grant applications require a charitable registration number. As a lot of non-profit organizations do not have charitable status, there have been requests to use the City's charitable registration number on these grant applications. Although municipalities do not have charitable registration numbers, as qualified donees they are eligible to apply for these grants.

If the City's charitable status is used for a grant application, the City essentially becomes the recipient of the grant. In the eyes of Canada Revenue Agency, the City is considered the charitable organization and the non-profit organization is an intermediary carrying out the work of the charity, As such, the funds are issued to the City and as the qualified donee; the City is responsible for proper use of those funds.

I have attached the Canada Revenue Agency bulletin that addresses the City's responsibilities for the grant monies when using the City's charitable status.

Basically, the City must have 'direction and control' over all funds granted to the City. I have spoken with our auditors about the implications of direction and control. These funds should be included in the budget and approved by Council. Expenditure of these funds should follow the City's purchasing policy and are subject to the same controls as other funds received and expended by our organization. If the City does not maintain direction and control, this could result in the City losing their charitable registration number and could be subject to penalties.

I trust this clarifies the City's responsibilities when allowing non-profits to use the City's charitable status on grant applications.



Canada

Canada Revenue Agency

Home > Charities and giving > Charities > Policy and guidance

> Using an Intermediary to Carry out a Charity's Activities within Canada

Using an Intermediary to Carry out a Charity's Activities within Canada

Guidance

Reference number

CG-004

Issued

June 20, 2011

Table of contents

1. Summary

1.1. Own activities

1.2. Direction and control when using intermediaries

2. Introduction

2.1. What do charities need to know about Canada's anti-terrorism legislation?

3. Are there restrictions on how a charity can use its resources?

3.1. What are charitable activities?

3.2. How can a charity carry out its own charitable activities?

3.3. Court decisions about the use of intermediaries

3.4. What is a gift to a qualified donee?

3.5. What is a conduit?

4. What are the requirements when working with an intermediary?

4.1. What are the most common types of intermediaries?

4.2. Agents

4.3. Joint venture participant

4.4. Co-operative participants

4.5. Contractors

5. What is direction and control?

5.1. How should a charity direct and control the use of its resources?

5.2. What is a written agreement?

5.3. What is a description of activities?

5.4. What is monitoring and supervision?

5.5. What is ongoing instruction?

5.6. What are periodic transfers?

5.7. What are separate activities and funds?

6. Keeping books and records

7. Can a charity use its spending on activities carried out through an intermediary to meet its disbursement quota?

8. Comments on this guidance

Appendix A - Can a charity carry out capacity-building activities within Canada?

Appendix B - Guidelines for joint ventures

Appendix C - What should a written agreement contain?

Basic elements of a written agreement

Footnotes

1. Summary

According to the *Income Tax Act*, **[Footnote 1]** a registered charity can only use its resources (for example - funds, personnel, and property) in two ways, whether inside or outside Canada:

- on its own activities (those which are directly under the charity's control and supervision, and for which it can account for any funds expended); and
- on gifts to qualified donees. **[Footnote 2]**

1.1. Own activities

A charity usually carries on its activities using its staff (including volunteers, directors, or employees), or through an intermediary (for example - an agent or contractor). However, when using an intermediary, it must still direct and control the use of its resources, **[Footnote 3]** although it may generally delegate authority to make day-to-day operating decisions. A charity cannot merely be a conduit to funnel money to an organization that is not a qualified donee.

For this guidance, an intermediary is a person or non-qualified donee that the charity works with to carry out its own activities.

1.2. Direction and control when using intermediaries

The Canada Revenue Agency (CRA) requires that a charity take all necessary measures to direct and control the use of its resources when carrying out activities through an intermediary. When carrying out activities through an intermediary, the following steps are strongly recommended:

- Create a written agreement with the intermediary, and implement its terms.
- Communicate a clear, complete, and detailed description of the activity to the intermediary.
- Monitor and supervise the activity.
- Provide clear, complete, and detailed instructions to the intermediary on an ongoing basis.
- Arrange for the intermediary to keep the charity's funds separate from its own, and to keep separate books and records.
- Make periodic transfers of resources, based on demonstrated performance.

A charity must maintain a record of steps taken to direct and control the use of its resources, as part of its books and records, to allow the CRA to verify that all of the charity's resources have been used for its own activities.

For more information on **conduits**, see section 3.5. For more information on **direction and control**, see section 5.

2. Introduction

This guidance does not have the force of law. It is intended to help registered charities and applicants for charitable registration carrying on activities within Canada through an intermediary to understand the CRA's interpretation of, and expectations related to, the provisions of the *Income Tax Act* concerning charitable registration. To establish whether an activity complies with the *Income Tax Act*, the CRA will have to examine the facts of the situation.

For this guidance, **charity** means a Canadian charity that is registered under the *Income Tax Act*. **Applicant** means an organization applying for registered charity status, and which intends to carry on activities through an intermediary.

This guidance generally assumes that a charity working with an intermediary is doing so to carry on charitable activities within Canada. The requirements in this guidance about working with intermediaries also apply to all charitable activities carried on outside Canada. For more information on this topic, see **Guidance for Canadian Registered Charities Carrying Out Activities Outside Canada**.

For information on registering a charity, see the Charities Directorate's webpage on **applying for registration**. If you have questions about this guidance or need more information, you can call the Charities Directorate at the following telephone numbers:

- 613-954-0410 (for local Ottawa calls)
- 1-800-267-2384 (for toll-free, long-distance calls)
- 1-800-665-0354 (for toll-free TTY service)

The Charities Directorate's fax number is 613-954-8037.

2.1. What do charities need to know about Canada's anti-terrorism legislation?

Charities must remember their obligations under Canada's anti-terrorism legislation. As with all individuals and organizations in Canada, charities are responsible for making sure that they do not operate in association with individuals or groups that are engaged in terrorist activities or that support terrorist activities.

The CRA has produced a **checklist** to help Canadian charities identify vulnerabilities to terrorist abuse.

Under the *Charities Registration (Security Information) Act* and the *Income Tax Act*, a charity's status may be revoked if it operates in such a way as to make its resources available, either directly or indirectly, to an entity that is a **listed entity** as defined in subsection 83.01(1) of the *Criminal Code*; or to any other entity (person, group, trust, partnership, or fund, or an unincorporated association or organization) that engages in terrorist activities or activities in support of them.

There are other prohibitions on funding or otherwise facilitating terrorism. For more information, see the *Criminal Code*, the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism*, and the *United Nations Al-Qaeda and Taliban Regulations*, as well as the Charities Directorate's webpage **Charities in the International Context**.

3. Are there restrictions on how a charity can use its resources?

The *Income Tax Act* allows a charity to operate in only two ways:

- carry out its own charitable activities
- make gifts to **qualified donees**

3.1. What are charitable activities?

Charitable activities are those that further a purpose recognized as charitable under common law, such as providing housing to the homeless, scholarships to students, or medical care to the sick.

Apart from making gifts to qualified donees, the *Income Tax Act* requires a charity to devote all its resources to charitable activities carried on by the organization itself. **[Footnote 4]** This requirement is referred to as the **own activities** test.

A charity's resources include all physical, financial, and material resources (for example - buildings, money, or donated goods), intellectual property, and its staff. **[Footnote 5]**

3.2. How can a charity carry out its own charitable activities?

A charity may use its own staff (including volunteers, directors, or employees) to carry out its activities. Assigning the charity's staff to carry out its activities is typically the easiest way for a charity to meet the own activities test.

A charity may use an intermediary to carry out its activities. For this guidance, an intermediary is an individual or non-qualified donee **[Footnote 6]** that the charity works with to carry out its own activities. For example, a charity might do one of the following:

- hire a company;
- enter into an agreement with a non-profit organization to have the organization deliver specific charitable programs for the charity; or
- pool its resources with another organization to complete a project.

In certain limited circumstances, the CRA may consider a charity to be carrying out its own activities by transferring certain resources to a non-qualified donee. The CRA will take into account all relevant circumstances when determining this, but at a minimum, the following three conditions must all apply:

- The nature of the property being transferred is such that it can reasonably be used only for charitable purposes (for example - medical supplies like antibiotics and instruments, which will likely only be used to treat the sick, or school supplies like textbooks, which will likely only be used to advance education); please note that transfers of money are not acceptable, and always require ongoing **direction and control**.
- Both parties understand and agree the property is to be used only for the specified charitable activities.
- Based on an investigation into the status and activities of the non-qualified donee receiving the property (including the outcome of any previous transfers by the charity), it is reasonable for the charity to have a strong expectation that the organization will use the property only for the intended charitable activities. **[Footnote 7]**

Investigating the status and activities of an intermediary would typically include examining details such as the intermediary's stated goals and purposes, any previous relationship with the charity and other charities, its history and general reputation, and relevant media reports.

If any of the above three conditions do not apply, then a charity will only be able to meet the own activities test by **directing and controlling** the use of its resources as otherwise stated in this guidance. **[Footnote 8]** If a charity does not direct and control the use of its resources as required, it risks sanctions under the *Income Tax Act*. This includes financial penalties and revocation of its status as a registered charity.

Examples of a transfer of resources to a non-qualified donee where the above conditions could apply include the following:

- transfers, by a research organization, of books and scientific reports to a reputable library or school that is not a qualified donee
- transfers of food and blankets to a non-profit organization that is coping with a natural disaster, and has a long history of successful operations

A charity cannot transfer any kind of property if it knows, or ought to know, that the property will be used either for non-charitable purposes **[Footnote 9]** or to circumvent the provisions of the *Income Tax Act*.

If a charity intends to build or buy capital property in partnership with an intermediary, the charity must retain ownership of its share of this property. In exceptional cases where it is impossible for the

charity to retain ownership of its share of the property, the charity should consult with the CRA to consider the available options.

A charity does not have to adopt measures to direct and control the use of its resources when transferring property to the proper beneficiaries of its charitable activities. For example, a charity could give school supplies, such as books or writing instruments, to impoverished students without having to direct and control how the students use those resources.

3.3. Court decisions about the use of intermediaries

The Federal Court of Appeal has rendered three decisions concerning charities using intermediaries to carry out their activities. Each case was an appeal of a revocation of charitable status by the CRA, and the Federal Court of Appeal dismissed each appeal.

The Federal Court of Appeal's decisions confirmed that a charity working with an intermediary must control the activities carried out on its behalf and maintain direction and control over the use of its resources. Charities or applicants for charitable status may find it useful to review these decisions, which are as follows:

- **The Canadian Committee for the Tel Aviv Foundation v. Canada (2002 FCA 72), 2002-03-01**
- **Canadian Magen David Adom for Israel v. Canada (Minister of National Revenue) (2002 FCA 323), 2002-09-13**
- **Bayit Lepletot v. Canada (Minister of National Revenue) (2006 FCA 128), 2006-03-28**

3.4. What is a gift to a qualified donee?

A gift to a qualified donee is a transfer of money or any other property to a qualified donee. **[Footnote 10]**

Under the *Income Tax Act*, qualified donees are organizations that can issue official donation receipts for gifts that individuals and corporations make to them. Some examples of qualified donees include other registered Canadian charities, the Government of Canada, prescribed universities outside Canada, the United Nations and its agencies, and **charitable organizations outside Canada that have received a gift from Her Majesty in right of Canada.**

3.5. What is a conduit?

For the purposes of this guidance, a conduit is an organization that accepts donations for which it typically issues tax-deductible receipts and then funnels the money, without maintaining direction and control, to a non-qualified donee. Acting as a conduit violates the *Income Tax Act* and could jeopardize a charity's registered status. **[Footnote 11]**

Example

A charity is registered to protect the environment. A non-profit organization with identical purposes approaches the charity, and explains it has submitted an application for charitable status, but has not yet been registered.

The non-profit asks if the charity will accept donations on its behalf, issue receipts, and then forward the money to the non-profit. The charity agrees to the non-profit organization's request.

The charity has no direction or control over how the receipted funds are used, and no say in where, when or how the activity is carried out. In this case, the charity is simply funding the non-profit's own activities, and therefore, even though the activity itself may be charitable, the charity is acting as a conduit.

To avoid acting as a conduit, the charity must have real and demonstrable control over the use of its money, so that the carrying out of that activity by the intermediary amounts to the charity carrying on its own activity itself.

A charity may also be acting as a conduit when it transfers resources to a head body or umbrella organization that is not a qualified donee. In such cases, a charity and its head body may create a written agreement that gives the appearance that the head body is the charity's intermediary.

To determine if a charity is acting as a conduit, the CRA will look at the following types of facts:

- Does the charity have any evidence that it exercises ongoing direction and control over the use of all of its resources?
- Does the charity keep adequate books and records at a Canadian address it has on file with the CRA?
- Does the charity receive goods and services of proportionate value for any money or other resources it sends to a non-qualified donee?
- Does the charity need permission from a non-qualified donee to undertake activities, or approval of how to carry out those activities?

4. What are the requirements when working with an intermediary?

A charity typically uses an intermediary when unable to carry out its own activities through its staff. The intermediary usually has resources that a charity needs, such as particular skills, resources, knowledge of a region, or specialized equipment.

Before deciding to work with an intermediary, and during the course of any such arrangement, a charity should investigate its status and activities to assure itself of the following conditions:

- The intermediary has the capacity (for example - personnel, experience, equipment) to carry out the charity's activity.
- There is a strong expectation the intermediary will use the charity's resources as directed by the charity.

When working through an intermediary, a charity must direct and control the use of its resources. **[Footnote 12]** A charity that does not direct and control its resources when working through an intermediary risks sanctions under the *Income Tax Act*, including the revocation of charitable status.

An intermediary can sometimes also be a beneficiary of a charity's activity - for example, acquiring skills and expertise - while carrying out the activity. For more information on this type of situation, see **Appendix A**.

Any private benefit provided to an intermediary by a charity must be incidental and proportionate to any work being done. For example, a charity should ensure it pays a contractor only fair market value for any work done on its behalf.

Note

The structure of an arrangement with an intermediary may have important implications for a charity. In particular, the charity can be exposed to liability for the acts of the intermediary. In the case of an agency agreement, even if there is no formal agreement in place, a court can attach liability to the charity if the court decides that there is an implied agency relationship.

4.1. What are the most common types of intermediaries?

Following are descriptions, provided for the purposes of this guidance only, of the four most common types of intermediaries a charity might use to carry out its own activities.

The type of intermediary that a charity needs to carry out an activity will depend on the facts of any given situation. The CRA does not recommend using one type of intermediary over another.

4.2. Agents

An **agent** is an intermediary that agrees to carry out specific activities on a charity's behalf. A charity often uses an agent when the charity cannot send its staff to a region to carry out an activity.

Example

A charity is registered to provide psychological counselling services to people in under-served northern communities across Canada. None of the charity's staff has any training in providing counselling. Instead, the charity locates a number of professional psychological counsellors with their own independent practices who agree to act as the charity's agents in carrying out the activity.

The charity and the counsellors create and sign an agreement describing the details of the activity and their respective roles and responsibilities. The agreement states that the charity will pay all travel and operating expenses, and the counsellors will volunteer their time and make typical day-to-day operating decisions, such as renting offices, notifying the communities of their services, and hiring local support staff.

The counsellors provide regular, detailed reports on the use of the charity's resources, according to the terms of the agreement. The charity intervenes as required to provide ongoing instructions on the use of its resources to make sure that the activity continues to be carried out according to the agreement, and that the activity is achieving the charity's own charitable purpose.

4.3. Joint venture participant

A **joint venture participant** is an organization that a charity works with to carry out a charitable activity. The charity and one or more joint venture participants pool their resources to accomplish their goal under the terms of a joint venture agreement.

A joint venture participant differs from an agent in that the charity is not relying entirely on the joint venture participant to carry out activities for the charity. Instead, the charity works with a joint venture participant to further the charitable activity.

Typically the charity has members sit on the governing board for the entire project, letting the charity make decisions on the use of its resources for the project. The structure of a joint venture varies from case to case.

A charity must be able to establish that its share of authority and responsibility over a venture allows the charity to dictate and account for how its resources are used. If a charity does not have enough decision-making authority to make sure that its resources are used as it directs, it may have difficulty establishing that it is carrying on its own activities.

Example

A charity is registered to relieve poverty by providing small business loans in areas of **social and economic deprivation**. The charity collaborates with a for-profit bank to design an activity that will provide entrepreneurial training, support services, and start-up loans to hard-to-employ people.

The charity and the bank form a governing body to operate the venture. The charity provides roughly 40% of the funding for the project and its representation on the venture's governing body is approximately 40% of the decision-making power. As long as the venture only uses the charity's resources for the charity's own activities, the arrangement should be acceptable.

However, with only 40% of the decision making power, it is possible the bank could decide to use the charity's resources inappropriately, such as carrying on different activities that are not those initially agreed to. Therefore, the arrangement should include a provision that allows the charity to discontinue devoting its resources to the venture under such circumstances.

The CRA will look at any venture as a whole, and a charity's participation in a venture, to make sure that the charity's resources are only furthering its charitable purposes. If the purpose of an overall project is not charitable, such as providing excessive or undue private benefit to an individual or company, a charity's own activities on behalf of that project may not be acceptable, even if those

activities would normally be considered to be furthering its charitable purposes if carried out on their own.

For a list of the factors the CRA looks at when examining joint venture arrangements, see **Appendix B**.

4.4. Co-operative participants

A **co-operative participant** is an organization that a charity works side by side with to complete a charitable activity. Rather than pooling their resources and sharing responsibility for the project as a whole, as in a joint venture, the charity and other organization(s) instead each take on responsibility only for parts of the project.

Example

A charity and a non-profit corporation have a common object to assist youth at risk in a major city. The charity specializes in helping teens recover from substance abuse. The non-profit provides academic assistance to teens with learning disabilities. They decide to lease a space jointly to run a new program, aimed at helping youth at risk complete high school.

Each organization operates its particular program out of its half of the leased space, using its own staff and resources. While they co-operate by, for example, sharing information and recommending potential candidates for each other's programs, each organization retains ownership of its assets and carries out its responsibilities independently, without oversight or control from the other body.

4.5. Contractors

A **contractor** is an organization or individual that a charity hires to provide goods and/or services. For example, a charity might hire a for-profit construction company to build temporary housing for homeless individuals.

A contractor is an intermediary with whom direction and control is usually exercised through the terms and oversight of the contract between the charity and the person or business providing the goods or services.

Example

A charity is registered to carry out research into a particular disease. As part of its activities, it contracts with a private medical laboratory to test new compounds for their disease fighting properties.

The charity and the laboratory draft and sign a contract that outlines all the terms and conditions of their relationship. The contract is the instrument through which the charity directs and controls the use of its resources, monitors the use of its resources as the laboratory carries out the activity, and ensures that only fair market value is paid for any work done.

5. What is direction and control?

A charity must direct and control the use of its resources **[Footnote 13]** when transferring them to an intermediary. The charity must be the body that makes decisions and sets parameters on significant issues related to the activity on an ongoing basis, such as the following:

- how the activity will be carried out
- the activity's overall goals
- the area or region where the activity is carried out
- who benefits from the activity
- what goods and services the charity's money will buy
- when the activity will begin and end

Maintaining direction and control does not mean a charity cannot accept advice from its intermediaries, or that a charity must make every decision involved in the carrying out of an activity, although it must have the ability to intervene in any decision. Typically, the types of decisions listed above would describe the overall framework of an activity.

An intermediary that carries out the work in the field is often in a better position to make day-to-day operational decisions. A charity can delegate the responsibility for such decisions to an intermediary, although this is not required under the *Income Tax Act*. For example, a charity might delegate the authority to make the following kinds of decisions:

- which local vendor to buy supplies from
- hiring and managing staff
- locating potential beneficiaries for an activity
- maintaining buildings owned or operated for the charity's activities

The intermediary should report back to the charity on any decisions made, so that it can make sure that the intermediary continues to comply with the *Income Tax Act*. For example, an agent awarding scholarships for a charity should be able to provide a list of recipients. This will let the charity make sure the agent is not awarding scholarships only to friends and family of the agent. The charity can veto awards that are not appropriate, and so continue to meet the public benefit test.

5.1. How should a charity direct and control the use of its resources?

Generally speaking, the nature and the number of measures a charity adopts to direct and control the use of its resources should correspond to the circumstances of the activity, such as:

- the amount of resources involved
- the complexity and location of the activity
- the nature of the resources being transferred
- any previous experience working with a particular intermediary
- the capacity and experience of the intermediary

The CRA recommends adopting the following types of measures to direct and control the use of a charity's resources:

- Create a written agreement, and implement its terms and provisions.
- Communicate a clear, complete, and detailed description of the activity to the intermediary.
- Monitor and supervise the activity.
- Provide clear, complete, and detailed instructions to the intermediary on an ongoing basis.
- Arrange for the intermediary to keep the charity's funds separate from its own, and to keep separate books and records.
- Make periodic transfers of resources, based on demonstrated performance.

A charity must record all steps taken to exercise direction and control as part of its books and records, to allow the CRA to verify that the charity's funds have been spent on its activities.

Example

A charity is registered to assist refugees, and it begins an activity to help refugees in Canada from a foreign country that recently suffered a civil war. However, the charity's staff has little expertise in the

language and culture of the foreign country, and encounters difficulty when trying to contact people it can help.

The charity finds a Canadian, non-profit organization that welcomes newcomers to Canada, and that by coincidence happens to have several members who immigrated from the same country some time ago. The non-profit agrees, and has the capacity, to act on the charity's behalf in carrying out the activity of providing housing, interpretation, language training, social services, and employment preparation.

The charity and the non-profit meet to plan the activity. The charity takes the non-profit's advice and experience into account as they plan the activity, although it has final authority over the use of its funds. Both parties are satisfied with the activity, and the non-profit agrees to act on the charity's behalf.

The charity adopts as many measures to direct and control the use of its resources as is practical, including developing a written agreement with its agent, implementing the terms of the agreement, monitoring the activity, and providing ongoing instruction when required.

In this case, the CRA will likely consider that the charity is directing and controlling the use of its resources.

The facts of every situation will differ, and it is not possible to give precise guidelines to cover all situations in advance. If a charity plans to start a program that requires the transfer of property to an intermediary, or has questions about these types of transfers, we recommend contacting the CRA for advice.

5.2. What is a written agreement?

A written agreement is a document that helps establish the relationship between a charity and its intermediary. The agreement should provide the authority and means for the charity to meet the own activities test, including by maintaining direction and control over its resources and over its intermediary's actions as they relate to the charity's activities. **[Footnote 14]**

The CRA recommends that a charity enter into a written agreement with any intermediary. Although there is no legal requirement to have a written agreement, and the same result might be achieved by other means, **[Footnote 15]** a properly executed written agreement is an effective way to help meet the own activities test.

However, signing an agreement is not enough to prove that a charity meets the own activities test. The charity must also be able to show the CRA that the charity has a real, ongoing, active relationship with its intermediary. **[Footnote 16]**

Entering into a written agreement and implementing the terms of that agreement is usually an effective way to meet the own activities test. However, the CRA acknowledges that in situations where the amount of resources involved is minor, and is a one-time activity, the complications of developing a full, formal, written agreement may outweigh the benefits. In situations where the money spent on a one-time activity is \$1,000 or less, other documentary means might be used to show direction and control over the use of resources by intermediaries.

If a charity has concerns or questions about this type of arrangement, it should contact the CRA.

On occasion, applicants for charitable status intend to carry on activities through an intermediary. In these situations, a copy of a written agreement included with the application is often a good way to show the CRA that the relationship the applicant will enter into with its intermediary will enable the applicant to meet all requirements for registration.

Although there is no established template for written agreements, acceptable agreements would normally contain the elements listed in **Appendix C**.

5.3. What is a description of activities?

Before starting an activity, the charity and its intermediary should agree on a clear, complete, and detailed description of the activity. The charity should be able to document its exact nature, scope, and complexity.

Depending on the type, complexity, duration, and expense of an activity, the charity should be able to provide documentary evidence that shows:

- exactly what the activity involves, its purpose, and the charitable benefit it provides;
- who benefits from the activity;
- the precise location(s) where the activity is carried on;
- a comprehensive budget for the activity, including payment schedules;
- the expected start-up and completion dates for the activity, as well as other pertinent timelines;
- a description of the deliverables, milestones, and performance benchmarks that are measured and reported;
- the specific details concerning how the charity monitors the activity, the use of its resources, and the intermediary carrying on the activity;
- the mechanisms that enable the charity to modify the nature or scope of the activity, including discontinuance of the activity if the situation requires (for example - the intermediary begins misusing funds);
- the nature, amount, sources, and destination of income that the activity generates, if any (for example - tuition fees from operating a school, or sales from goods produced by poor artisans in economically challenged areas **[Footnote 171]**); and
- any contributions that other organizations or bodies are expected to make to the activity.

5.4. What is monitoring and supervision?

Monitoring and supervision is the process of receiving timely and accurate reports, which allows a charity to make sure that its resources are being used for its own activities. Depending on factors such as the size, nature, and complexity of an activity, the reporting methods (as stated in any written agreement) can take many forms, including the following:

- progress reports
- receipts for expenses and financial statements
- informal communication via telephone or email
- photographs
- audit reports
- on-site inspections by the charity's staff members

5.5. What is ongoing instruction?

Ongoing instruction is the process of providing any necessary additional instructions or directions to an intermediary.

Records of any ongoing instructions help to show that the charity is carrying out its own charitable activities in accordance with the provisions of the *Income Tax Act*. Minutes of meetings or other written records of decisions are one way to show that a charity has given instructions. The CRA recommends

using written instructions (for example - letters, emails, or faxes) to communicate with an intermediary whenever possible.

Charities and organizations acting as intermediaries occasionally arrange to have a director/trustee, volunteer, or employee work for both bodies. Although this type of arrangement may make it easier to pass along reports and ongoing instructions, it is not likely to be enough to show that the charity maintains direction and control over the use of its resources by the intermediary.

For example, if a staff member from the charity serves on the board of an intermediary, his or her control over the charity's resources may be limited to one vote among many. The intermediary's board could potentially decide to use the charity's money for activities other than those of the charity's own, despite the staff member's objections.

5.6. What are periodic transfers?

Making periodic transfers is the process of sending a charity's resources to an intermediary in instalments, based on demonstrated performance, rather than in one transfer.

When appropriate, a charity should keep the right to discontinue the transfer of money and have unused funds returned if it is not satisfied with the reporting, progress, or outcome of an activity. This will allow the charity to stop funding an activity if the charity's resources are being misused or for any other valid reason.

5.7. What are separate activities and funds?

When carrying on an activity through an intermediary, a charity has to make sure that it can distinguish its activities from those of the intermediary. **[Footnote 18]** A charity cannot simply pay the expenses an intermediary incurs to carry on the intermediary's own programs and activities. Doing so draws into question whether the activity is truly that of the charity.

In any situation where an intermediary is managing an ongoing activity on the charity's behalf, the money received from the charity should be kept in a separate bank account. It should be withdrawn only after receiving authorization from the charity, or after the intermediary meets certain performance benchmarks. The charity's funds should also be reported in books and records separately from those of the intermediary.

If it is impossible to keep funds separate, then a charity must provide other evidence to distinguish its own resources and activities from the intermediary's, and to show the charity's direction and control over them.

6. Keeping books and records

Under the *Income Tax Act*, a charity must keep adequate **books and records**. The CRA recommends that books and records be kept in either French or English. **[Footnote 19]**

Books and records must enable the CRA to check the following:

- whether a charity's funds are being spent on its own activities or on gifts to qualified donees
- whether the charity is directing and controlling the use of its resources
- whether there are grounds to revoke the charity's status **[Footnote 20]**

Also, books and records must contain enough information to allow the CRA to determine if the charity is operating in accordance with the *Income Tax Act*. **[Footnote 21]**

A charity that fails to keep adequate books and records may be subject to various **sanctions** under the *Income Tax Act*, including having its registration **revoked**. **[Footnote 22]**

7. Can a charity use its spending on activities carried out through an intermediary to meet its disbursement quota?

All the amounts a charity spends on directly carrying out its charitable activities will go towards meeting its disbursement quota, whether the activities were carried out by the charity's staff or an intermediary.

When reporting expenditures on **Form T3010, Registered Charity Information Return**, a charity should report all amounts spent by its intermediaries on its behalf as if they had been spent by the charity itself.

Amounts that are considered to have been spent on charitable activities include, but are not limited to:

- the costs of goods transferred to an intermediary to provide eligible beneficiaries with charitable relief;
- payments for buying goods and services to provide eligible beneficiaries with charitable relief;
- purchase or maintenance of facilities, equipment, and other items used directly in the charity's charitable activities;
- fees, licences, and memberships that are necessary to deliver the charity's charitable activities; and
- salaries paid to those that directly provide charitable relief to eligible beneficiaries.

If a charity is working jointly with other organizations, it must account for all charitable and other expenditures it incurs when carrying on an activity, or that an intermediary has spent on its behalf.

For more information on the disbursement quota and its calculation, see **Guide T4033, Completing the Registered Charity Information Return**.

8. Comments on this guidance

If you have comments or suggestions that would help us improve this guidance, we would like to hear from you. Please email your comments to **consultation-policy-politique@cra-arc.gc.ca**.

You can also mail comments to the following address:

Charities Directorate
Canada Revenue Agency
Ottawa ON K1A 0L5

The Charities Directorate's fax number is 613-954-8037.

Appendix A - Can a charity carry out capacity-building activities within Canada?

A charity can carry out capacity-building activities, as long as it continues to meet all requirements of the *Income Tax Act*. For example, a charity must, among other requirements, make sure that its activities only further its own charitable purposes, keep direction and control over the use of its resources, meet the public benefit test, and not confer undue private benefit.

For the purposes of this guidance, capacity building is working in partnership with an organization, community, other group of people, or any other non-qualified donee to develop the skills, tools, and resources necessary to address their own problems. Capacity-building activities may be charitable if they relieve poverty or advance education, or further another recognized charitable purpose.

One of the principles behind capacity building is that simply transferring money to a group or community, without providing ongoing support, rarely leads to long-term solutions. Instead, a long-

term relationship can ultimately lead to ownership of the program by the charity's partner, such that the charity may be able to withdraw its resources from the project entirely, and leave its successful operation in the hands of its former partner.

In these cases, the line between intermediary and beneficiary may become harder to distinguish. Although this guidance typically assumes intermediaries are a medium or means for a charity to carry out its own activities, in some cases they may also be a beneficiary of the charity's activities, such as by receiving training or operational resources.

Before starting capacity-building programs, charities should make sure that their objects and activities as registered with the CRA allow them to carry out the charitable activities they anticipate will be required.

Appendix B - Guidelines for joint ventures

The following are the type of factors the CRA looks for when determining whether a charity directs and controls the use of its resources in a joint venture:

- presence of members of the charity on the governing body of the joint venture;
- presence in the field of members of the charity;
- joint control by the charity over the hiring and firing of personnel involved in the venture;
- joint ownership by the charity of foreign assets and property;
- input by the charity into the venture's initiation and follow-through, including the charity's ability to direct or modify the venture and to establish deadlines or other performance benchmarks;
- signature of the charity on loans, contracts, and other agreements arising from the venture;
- review and approval of the venture's budget by the charity, availability of an independent audit of the venture, and the option to discontinue funding when appropriate;
- authorship by the charity of such things as procedures manuals, training guides, and standards of conduct; and
- on-site identification of the venture as being the work, at least in part, of the charity.

For joint ventures, the charity should make sure that it regularly receives complete financial information for the whole venture. It should also have enough documentation to show how its contribution fits into the overall undertaking, and how its resources have been devoted to activities that further its charitable purposes.

Appendix C - What should a written agreement contain?

Below is a list to help charities create a written agreement. However, charities should be mindful that their relationship with their intermediaries is not only judged on how well their agreements are written but, more importantly, on their ability to show that they direct and control the use of their resources through active, ongoing, sustained relationships.

Even when a charity and intermediary create an agreement that contains the elements contained in the checklist, either the charity or the CRA can refer to and rely on other relevant evidence to establish the nature of the relationship between the parties to the arrangement.

Basic elements of a written agreement

- exact legal names and physical addresses of all parties;

- a clear, complete, and detailed description of the activities to be carried out by the intermediary, and an explanation of how the activities further the charity's purposes;
- the location(s) where the activity will be carried on (for example - physical address, town or city);
- all time frames and deadlines;
- any provision for regular written financial and progress reports to prove the receipt and disbursement of funds, as well as the progress of the activity;
- a statement of the right to inspect the activity, and the related books and records, on reasonably short notice;
- provision for funding in instalments based on satisfactory performance, and for the withdrawing or withholding of funds or other resources if required (funding includes the transfers of all resources)
- provision for issuing ongoing instructions as required;
- provision for the charity's funds to be segregated from those of the intermediary, as well as for the intermediary to keep separate books and records;
- if any of the charity's funds or property are to be used in the acquisition, construction, or improvement of immovable property, the title of the property will vest in the name of the charity. If not, there will be provision showing how legal title to that property is held by a qualified donee;
- for joint ventures, provisions that enable the charity to be an active partner, with a proportionate degree of direction and control in the venture as a whole, as well as assurances of the following:
 - the charity's resources are devoted to activities that further its purposes; and
 - the charity maintains and receives financial statements and records for the entire project on a regular basis;
- effective date and termination provisions;
- signature of all parties, and the date.

Footnotes

[Footnote 1]

Income Tax Act R.S.C. 1985, c 1 (5th Supp.)

[Footnote 2]

Qualified donees are organizations that can issue official donation receipts for gifts that individuals and corporations make to them, as listed in subsections 110.1(1)(a) and 118.1(1) of the *Income Tax Act*.

[Footnote 3]

The Canadian Committee for the Tel Aviv Foundation c. Canada (2002 FCA 72) 2002-03-01; Canadian Magen David Adom for Israel v. Canada (Minister of National Revenue) (2002 FCA 323) 2002-09-13; Bayit Lepletot v. Canada (Minister of National Revenue) (2006 FCA 128) 2006-03-28

[Footnote 4]

The *Income Tax Act*, supra note 1, at paragraph 149.1(1)

[Footnote 5]

Summary Policy CSP-R13, Resources

[Footnote 6]

In this guidance, any organization that is not a qualified donee is often called a **non-qualified donee**.

[Footnote 7]

CAMDI, supra note 3, at paragraph 71

[Footnote 8]

CAMDI, supra note 3, at paragraph 74

[Footnote 9]

Ibid.

[Footnote 10]

Charities that are constituted in, or a resident of, Ontario should contact the **Office of the Public Guardian and Trustee of Ontario** to see if they have any restrictions on the qualified donees to which they can gift their funds.

[Footnote 11]

Tel Aviv, supra note 3, at paragraph 30

[Footnote 12]

Tel Aviv, supra note 3, at paragraph 40

[Footnote 13]

CAMDI, supra note 3, at paragraph 66, and *Tel Aviv*, supra note 3, at paragraph 40

[Footnote 14]

Tel Aviv, supra note 3, at paragraph 40

[Footnote 15]

CAMDI, supra note 3, at paragraph 66

[Footnote 16]

Tel Aviv, supra note 3, at paragraph 30

[Footnote 17]

Guidance CG-014, Community Economic Development Activities and Charitable Registration

[Footnote 18]

Bayit, supra note 3, at paragraph 6

[Footnote 19]

Charities that have to file a GST/HST return or that have applied for a rebate must keep some records in either official language. See the *Excise Tax Act* 286(1) R.S., 1985, c. E-15, and 15.1, and **General Requirements for Books and Records**.

[Footnote 20]

The *Income Tax Act*, supra note 1, at paragraph 230(2)

[Footnote 21]

Tel Aviv, supra note 3, at paragraph 42

[Footnote 22]

The *Income Tax Act*, supra note 1, at paragraph 168(1)(e)

Date modified: 2011-08-18

REQUEST FOR DECISION

— REGULAR MEETING —



To: Mayor and Council
From: Roxanne Shepherd, Chief Financial Officer
Date: May 5, 2014
Subject: Final reading of 2014 Tax Rates Bylaw 1997
Recommendation: **RESOLVED THAT COUNCIL GIVE FINAL READING TO 2014 TAX RATES BYLAW 1997.**

BACKGROUND:

The Community Charter requires that each Municipality approve a Tax Rates Bylaw no later than May 15th for the current year. The Tax Rates Bylaw authorizes the City to collect property taxes for the year. The Tax Rates Bylaw levies rates for municipal, regional district and hospital purposes each year.

Benefits or Impacts of the Recommendation:

General: Municipal taxation revenue enables Council to undertake the services that are required to run the municipality.

Financial: Property taxation is the main source of revenue for the municipality. The proposed 2014 Tax Rates Bylaw is intended to generate \$2,906,934.

Policy/Legislation: Section 165 of the Community Charter requires that a municipality must have a financial plan that is adopted annually, by bylaw, before the annual property tax bylaw is adopted. Section 197 of the Community Charter requires that each year, after adoption of the financial plan but before May 15, a council must, by bylaw, impose property values taxes for the year by establishing tax rates.

Attachments: 2014 Tax Rates Bylaw 1997

Recommendation: **RESOLVED THAT COUNCIL GIVE FINAL READING TO 2014 TAX RATES BYLAW 1997.**

REQUEST FOR DECISION

— REGULAR MEETING —



- OPTIONS:**
- 1. COUNCIL CHOOSES TO SUPPORT THE RECOMMENDATION.**
 - 2. COUNCIL CHOOSES TO NOT SUPPORT THE RECOMMENDATION.**

 Department Head or CAO	 Chief Administrative Officer
---	--

THE CORPORATION OF THE CITY OF GRAND FORKS
BYLAW NO. 1997

**A BYLAW TO IMPOSE RATES ON ALL TAXABLE LAND
AND IMPROVEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014**

=====

WHEREAS the Community Charter, requires that, after adoption of the financial plan, but before May 15th in each year, Council must, by bylaw, impose property value taxes for the year by establishing tax rates;

NOW THEREFORE the Council of the Corporation of the City of Grand Forks, in open meeting assembled, **ENACTS** as follows:

1. That Bylaw No. 1951, cited as "2013 Annual Tax Rates Bylaw", be hereby repealed.
2. The following Tax Rates are hereby imposed and levied for the Year Ended December 31, 2014:
 - a) For all lawful **GENERAL PURPOSES** of the Municipality on the value of all taxable land and improvements, rates appearing in Column "A" of Schedule "A" attached hereto and forming a part of the bylaw;
 - b) For **WEST KOOTENAY BOUNDARY REGIONAL HOSPITAL PURPOSES** on the value of all taxable land and improvements, rates appearing in Column "B" of Schedule "A" attached hereto and forming a part of the bylaw;
 - c) For **KOOTENAY BOUNDARY REGIONAL HOSPITAL PURPOSES** on the value of all taxable land and improvements, rates appearing the Column "C" of Schedule "A" attached hereto and forming a part of the bylaw;
 - d) For purposes of the **REGIONAL DISTRICT OF KOOTENAY BOUNDARY** on the value of all taxable land and improvements rates appearing in Column "D" of Schedule "A" attached hereto and forming a part hereof;
3. The minimum amount of taxation upon a parcel of real property shall be One Dollar (\$1.00).
4. Pursuant to Section 233 of the Community Charter
 - a) The due date for taxes shall be the 2nd day of July, 2014
 - b) The Collector shall, as soon as is practicable on or after the 3rd day of July 2014, add to the unpaid taxes of the current year, in respect of each parcel of land and improvements thereon upon the real property tax roll, ten percentum of the amount unpaid as of the 2nd day of July, 2014

5. This Bylaw may be cited, for all purposes, as the “**2014 Annual Tax Rates Bylaw 1997**”.

Read a **FIRST** time this 5th day of May 2014.

Read a **SECOND** time this 5th day of May 2014.

Read a **THIRD** time this 5th day of May 2014.

FINALLY ADOPTED this 12th day of May 2014.

Mayor Brian Taylor

Corporate Officer

C E R T I F I C A T E

I hereby certify the foregoing to be a true copy of Bylaw No. 1997 as passed by the Municipal Council of the City of Grand Forks on the ____ day of May, 2014.

Clerk of the Municipal Council of
the City of Grand Forks

Schedule "A"
City of Grand Forks
2014 Property Tax Rates Bylaw 1997

Property Class	Description	"A"	"B"	"C"	"D"
		General Municipal	West Kootenay Boundary Regional Hospital District	Kootenay Boundary Regional Hospital District	Regional District of Kootenay Boundary
		(Dollars of tax per \$1,000 taxable assessed value)			
1	Residential	3.8989	0.2912	(0.0067)	2.2502
2	Utility	38.6771	1.0192	(0.0235)	7.8759
4	Major Industry	43.3948	0.9901	(0.0228)	7.6508
5	Light Industry	11.4238	0.9901	(0.0228)	7.6508
6	Business/Other	9.3184	0.7135	(0.0164)	5.5131
8	Rec/Non-Profit	3.1191	0.2912	(0.0067)	2.2502
9	Farm	4.2108	0.2912	(0.0067)	2.2502