



Date June 9, 2010

City Council Committee Report

To: Mayor & Council

Fr: Heather Paterson

Re: Celebrate Summer Fireworks

Recommendation:

THAT Council of the City of Kenora hereby authorizes the issuance of tax receipts for any donation of \$100 or greater made to the City of Kenora between January 1, 2010 and July 31, 2010 to be used specifically towards the 2010 Celebrate Summer fireworks display; and

THAT the City will pay the invoice(s) for the actual purchase of fireworks, including any specifically related expenditures, direct to the appropriate supplier(s) for the 2010 fireworks display to a maximum of the actual donation amounts received; and

THAT the issuance of tax receipts for donations for fireworks be restricted specifically to the 2010 fireworks display in recognition of the tourism impact the event has to the City of Kenora; and further

THAT the Celebrate Summer Committee be advised of Council's decision, including all related restrictions.

Background:

The 2007 Canada Day fireworks display was regarded by many as lacking the size and splendor needed to showcase the Canadian spirit prevalent in the City of Kenora. A very basic attempt at fundraising was undertaken through the sale of buttons but the sum raised did not amount to much. Government funds were also used for the show, but again the limited funds impacted on the fireworks display.

In 2008, local business people associated with Harbourtown BIZ organized a spectacular fireworks display that lasted over 21 minutes in duration. The rationale for the tremendous fireworks display was: 1) to increase the amount of traffic in the downtown core during the revitalization project and 2) showcase the spirit of the City of Kenora in celebrating Canada Day. In 2009, there was an equally impressive display.

As the City is set in its course to increase the number of visitors to the community, it has become apparent, that the fireworks displays in both 2008 and 2009 are examples of an event that will bring tourists to the city and create a positive economic benefit.

For 2010, the fireworks committee has joined forces with First Nations Partners to create the Celebrate Summer Event, featuring Juno award winning entertainment in the evening followed by a fireworks display. The Celebrate Summer event is being marketed by Tourism as part of the 1,2,3 summer celebration in Kenora.

Harbourtown BIZ has formed a fireworks sub-committee with the sole mandate to raise funds for the fireworks display. The sub-committee is working in conjunction with Tourism Kenora to facilitate fund collections. The sub-committee determined that in order to raise the funds needed to pay for a grand show, businesses owners, members of the community and summer residents would be more apt to contribute if they could receive a tax receipt.

In the past, the City has received requests from organizations looking for the issuance of donation receipts to aid them in their fundraising efforts. In 2004, the City did some further investigations into its ability to issue donation receipts, particularly where the organization was outside of the control of the City, and was not considered to be part of the City. Specifically, we were advised that "a municipality would not be entitled to issue a receipt for the donation where it was merely acting as a conduit for the organization receiving the gift". Further, under the guidelines for official donation receipts, "a charity ... must not issue receipts for funds that it will not itself be responsible for spending".

The City has on occasion, however, worked with external non-registered organizations to provide this type of assistance, the most recent of which being the partnership between the Kenora Golf and Country Club and the City to issue donation receipts for donations received for course improvements authorized by Council, ultimately enhancing summer tourism to the Kenora area. It is important that the City be able to justify the collection of donations and therefore the issuance of receipts through showing sufficient benefit to the City.

An argument can be made that the fireworks event is directly correlated to the City's Tourism Strategy and the role the City's tourism department will play in attracting visitors to Kenora and the Lake of the Woods region. As has been done in the past under these circumstances, the City would not release any donation funds received until expenditures are substantiated through invoices.

Budget:

N/A

Communication Plan/Notice By-law Requirements:

N/A