

Date 5 October 2011



City Council Committee Report

To: Mayor Canfield & Members of Council

Fr: Karen Brown

Re: Sunset Trail Riders – Request for Charitable Donation Receipt

Recommendation:

That Council hereby approves the issuance of a donation receipt for the donation of a Bombi groomer based on the year, model and condition of the equipment following the receipt of the donated groomer; and

That Council has approved the proposal (attached) from the Sunset Trail Riders for the acceptance of a new groomer, including the long-term responsibility for that groomer, as well as how that new groomer would be used to expand the Sunset Trail Riders grooming abilities, enhancing snowmobiling in and around the City of Kenora and ultimately promoting winter snow machine related tourism to the Kenora area; and

That, the City will not be responsible for any costs incurred as a result of and related to the donation of this groomer; and

That the donated groomer, as well as the ongoing responsibility for the groomer, including all ongoing upkeep, maintenance, expenditures, liability and all other related operations, would be the sole property / responsibility of the Sunset Trail Riders; and further

That since the proposal (attached) from the Sunset Trail Riders has been approved by Council at its August 15, 2011 meeting, the City will issue a donation receipt related to this equipment.

Background:

The City has been approached by the Sunset Trail Riders (STR) with regards to a donation receipt to recognize the donation of a groomer by a third party to the STR. The STR has been contacted by an individual who would like to donate a Bombi groomer to them. In return, this individual has requested a charitable donation receipt, which the STR is not able to provide.

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".

To be able to accept this donation, and issue the related donation receipt, the City must become responsible for the related item. The City requested the Sunset Trail Riders to submit a suitable proposal, including the acceptance of the groomer equipment and the long-term responsibility for that groomer, as well as how that new groomer would be used to expand the STR grooming abilities, enhancing snowmobiling in and around the City of Kenora and ultimately promoting winter snow machine related tourism to the Kenora area. This proposal was approved by City Council at its August 15, 2011 meeting. The City is now prepared to issue a donation receipt for the value of the groomer.

In 2008, the City has reviewed the recommendation to support donations related to a previous groomer report with our external auditors. In their opinion, they agreed with the information provided to Council at that time, which has been reiterated in this report, and felt it was similar to the previous decision related to the warm-up shelter. It should be noted, however, that ultimately the final decision would rest with Revenue Canada as to the validity of the issuance of this donation receipt. It is also worth noting that there could be political repercussions related to the acceptance of this donation since other groups, such as the Dragon Tamers, have been refused this type of treatment in the past, although this was done as, in the City's opinion, we could not meet the Revenue Canada requirements.

Budget:

n/a – there is to be no cost to the City incurred as a result of this donation.

Communication Plan/Notice By-law Requirements:

Sunset Trail Riders would be advised of Council's decision on this matter.



Snowmobile Club Inc.

01 September, 2011

City of Kenora
1 Main Street South
Kenora, Ontario
P9N 3X2

Attention: Joanne L. McMillin, AMCT
City Clerk

Dear Ms. McMillin:

Re: Charitable Donation Receipt

First, our Club would like to thank Mayor and Council for their positive acceptance of our proposal.

In reply to the questions raised by Council the following outlines our response:

1. The groomer will be legally accepted by the Club and used for the long term benefit of the trail system in the City and area trails. The groomer is an intricate part of our groomer fleet. It is very light and can get on the trails, especially the lakes, to start the grooming process at least 3-4 weeks before we can get our larger groomers on our trail system. This provides great benefit to snowmobilers on our trail system and to the City. It allows snowmobilers to ride groomed trails at least three weeks earlier as stated above and brings economic and travel benefits to the City, and businesses. We can thus announce earlier use of our trails including the proposed through town corridor which will provide the benefits described above. Riders want earlier riding and this provides the incentive to bring local and Manitoba riders into our area.

2. The City will not be responsible for any costs incurred as a result and related to the donation receipt.

3. Our club will be responsible in all aspects for the groomer including maintenance, liability, insurance and any other related expenditure due to the operation of this unit.

We hope this answers the questions Council had. If there are any other questions or concerns please contact the writer.

Again, on behalf of our Club, Membership and Directors we thank Council for their support and look forward in a positive long term relationship in bringing tourists and economic benefits to the City of Kenora and our Area.

Sunset Trail Rider Snowmobile Club Inc.

Per:

Grant Hayton

T. G (Grant) Hayton
President