

<b>TO:</b>	<b>CORPORATE SERVICES COMMITTEE MEETING ON MARCH 25, 2014</b>
<b>FROM:</b>	<b>MIKE TURNER DEPUTY CITY TREASURER</b>
<b>SUBJECT:</b>	<b>ARGYLE BUSINESS IMPROVEMENT AREA 2014 PROPOSED BUDGET – MUNICIPAL SPECIAL LEVY</b>

<b>RECOMMENDATION</b>
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It is recommended:

1. That the Argyle Business Improvement Area proposed 2014 budget submission in the amount of \$116,478 **BE APPROVED** as outlined in Schedule A;
2. The amount to be raised by the Corporation for the 2014 fiscal year for the purposes of the Argyle Business Improvement Area and pursuant to subsection 208(1) of the Municipal Act, 2001 **BE FIXED** at \$110,480 (which accounts for \$110,480 for the City of London levy as required by the Argyle Business Improvement Area to help support its 2014 budget with no estimated allowance for vacancy rebates);
3. A special charge **BE ESTABLISHED** for the amount referred to in part 2, above, by a levy in accordance with By-law A.-6873-292 as amended; it being noted that the special charge shall have priority lien status and shall be added to the tax roll pursuant to subsection 208(7) of the Municipal Act, 2001; and
4. That the attached by-law (see Schedule B) **BE INTRODUCED** at the Municipal Council on April 1, 2014 with respect to municipal special levy for the Argyle Business Improvement Area.

<b>BACKGROUND</b>
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The Argyle Business Improvement Area approved its 2014 budget on February 13, 2014 and submitted it to the City of London's Finance Department on February 19, 2014 (see Schedule A).

Under subsection 205(2) of the Municipal Act, 2001, a business improvement area must submit an annual budget to Council that the Council may approve in whole or in part but may not add expenditures to. The Argyle Business Improvement Area has met this requirement in Schedule A, noting the 2014 expenditure budget of \$116,478

We provide the following comments based on our review of the submission:

- a) The Argyle Business Improvement Area submitted a 2014 budget of \$116,478 which represents a \$14,187 or 10.9% decrease compared to its 2013 budget of \$130,665.
- b) Significant changes in revenues include the loss of funding received from the discontinued City of London Walk to Shop project. Significant changes to expenditures include the reduction in costs related to the discontinued City of London Walk to Shop project.

At the time of submitting this report, 2013 draft financial statements were unavailable. Estimates received from the Argyle Business Improvement Area indicated that there was a year end surplus of \$17,216 in 2013. The unaudited December 31, 2013 reserve balance as reported by Argyle Business Improvement Area, which includes year end position adjustments, was nil.

As in 2013, owners of business property within the business improvement area will be responsible for payment of the municipal levy to the City of London. The City of London will pay the Argyle Business Improvement Area in one lump sum payment of the amount levied mid-year.

Under subsection 207(1) of the Municipal Act, 2001, a business improvement area must submit to Council its annual financial report for the preceding year. The Argyle Business Improvement Area is scheduled to meet this requirement for the 2013 reporting period.

<b>PREPARED BY:</b>	<b>REVIEWED BY:</b>
<b>JASON SENESE MANAGER – FINANCIAL PLANNING &amp; POLICY</b>	<b>LARRY PALARCHIO DIRECTOR - FINANCIAL PLANNING &amp; POLICY</b>
<b>RECOMMENDED BY:</b>	
<b>MIKE TURNER DEPUTY CITY TREASURER</b>	

cc: Martin Hayward – Managing Director, Corporate Services and City Treasurer, Chief Financial Officer  
Jim Logan – Division Manager, Taxation & Revenue  
Ian Collins – Senior Financial Business Administrator

## Schedule A

### Argyle Business Improvement Area 2014 Proposed Budget with 2013 Comparators

#### Revenue Overview

Argyle Revenue Detail:	2013 Revised Budget	2013 Actuals	Surplus (Deficit)	2014 Proposed Budget	Increase / (Decrease) over 2013
City of London Levy	110,480	111,697	1,217	110,480	0
City of London Walk to Shop	10,000	0	(10,000)	0	(10,000)
Private Donations	500	0	(500)	500	0
Sublease	2,520	2,520	0	2,621	101
Internet Sharing	300	300	0	300	0
Business Share Walk to Shop	1,050	0	(1,050)	0	(1,050)
Gov't student funding	0	7,485	7,485	0	0
Miscellaneous	0	9,522	9,522	2,577	2,577
<b>Total Argyle Revenue</b>	<b>124,850</b>	<b>131,523</b>	<b>6,674</b>	<b>116,478</b>	<b>(8,372)</b>

#### Expenditure Overview

Argyle Expenditure Detail:	2013 Revised Budget	2013 Actuals	Surplus (Deficit)	2014 Proposed Budget	Increase / (Decrease) over 2013
Salaries and Wages	36,500	27,844	8,656	42,000	5,500
Student wages and benefits	0	11,154	(11,154)	0	0
Bookkeeping, audit and professional fees	5,000	4,199	801	8,000	3,000
Office Rent	9,600	9,600	0	10,000	400
Utilities	0	1,317	(1,317)	2,000	2,000
Telephone and Fax	480	978	(498)	1,800	1,320
Internet Service	600	724	(124)	0	(600)
Office Equipment	1,000	0	1,000	0	(1,000)
Website Maintenance	1,200	0	1,200	1,200	0
Postage and Courier	500	14	486	500	0
Signage	350	15,603	(15,253)	0	(350)
Insurance	2,000	1,679	321	2,000	0
Conference	1,000	232	768	0	(1,000)
Advertising	1,500	0	1,500	0	(1,500)
Printing	1,200	0	1,200	1,000	(200)
Audit Costs	350	5,800	(5,450)	0	(350)
Travel and Transportation	300	346	(46)	1,371	1,071
Bank Charges	120	2	118	120	0
Memberships - Provincial BIA	150	242	(92)	287	137
Website Domain	100	212	(112)	0	(100)
Flyers and Brochures	1,000	0	1,000	0	(1,000)
Quarterly Newsletter	1,200	0	1,200	200	(1,000)
Professional Development	1,000	265	735	1,000	0
Office Supplies	1,200	3,241	(2,041)	3,000	1,800
Miscellaneous	0	8,580	(8,580)	0	0
Walk to Shop Directory	10,000	0	10,000	0	(10,000)
Events	12,000	7,883	4,117	10,000	(2,000)
Other BIA Initiatives	12,000	10,799	1,201	10,000	(2,000)
Marketing/Consulting	24,500	3,594	20,906	22,000	(2,500)
<b>Total Argyle Expenditure</b>	<b>124,850</b>	<b>114,308</b>	<b>10,542</b>	<b>116,478</b>	<b>(8,372)</b>
<b>Net Surplus / (Deficit)</b>	<b>0</b>	<b>17,216</b>	<b>17,216</b>	<b>0</b>	<b>0</b>
<b>Net</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

All figures subject to audit.

## Schedule B

Bill No.  
2014

By-law No.

A by-law to raise the amount required for the purposes of The Argyle Business Improvement Area Board of Management for the year 2014 in accordance with section 208 of the *Municipal Act, 2001*.

WHEREAS subsection 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001* as amended provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS subsection 10(2) of the *Municipal Act, 2001* as amended provides that a municipality may pass by-law respecting; the financial management of the municipality (paragraph 3) and services or things that the municipality is authorized to provide under subsection 10(1) (paragraph 7);

AND WHEREAS By-law A.-6873-292, as amended, provides for an improvement area to be known as the Argyle Business Improvement Area and to establish a Board of Management for it known as The Argyle Business Improvement Area Board of Management;

AND WHEREAS subsection 208(1) of the *Municipal Act, 2001* provides that Council shall annually raise the amount required for the purposes of The Argyle Business Improvement Area Board of Management;

AND WHEREAS section 23 of the *Municipal Act, 2001* provides that without limiting sections 9, 10 and 11 those sections authorize a municipality to delegate its powers under the *Municipal Act, 2001*;

AND WHEREAS it is deemed expedient to pass this by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. That the budget for the 2014 fiscal year submitted by The Argyle Business Improvement Area Board of Management in the amount of \$116,478 attached as Schedule "A", which includes a City of London Levy in the amount of \$110,480, is approved.
2. The amount to be raised by the Corporation for the 2014 fiscal year for the purposes of The Argyle Business Improvement Area Board of Management and pursuant to subsection 208(1) of the *Municipal Act, 2001* is \$110,480.
3. A special charge is established for the amount referred to in section 2 of this by-law by a levy in accordance with By-law A.-6873-292, as amended.
4. The special charge referred to in section 3 of this by-law shall have priority lien status and shall be added to the tax roll pursuant to subsection 208(7) of the *Municipal Act, 2001*.
5. The administration of this by-law is delegated to the City Treasurer who is hereby authorized and directed to do such things as may be necessary or advisable to carry out fully the provisions of this by-law.
6. This by-law comes into force and effect on the day it is passed.

Joe Fontana,  
Mayor

Catharine Saunders,  
City Clerk