

TO:	CORPORATE SERVICES COMMITTEE MEETING ON MARCH 3, 2015
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	OLD EAST VILLAGE BUSINESS IMPROVEMENT AREA 2015 PROPOSED BUDGET – MUNICIPAL SPECIAL LEVY

RECOMMENDATION

It is recommended:

1. That the Old East Village Business Improvement Area proposed 2015 budget submission in the amount of \$292,764 **BE APPROVED** as outlined in Schedule A;
2. The amount to be raised by the Corporation for the 2015 fiscal year for the purposes of the Old East Village Business Improvement Area and pursuant to subsection 208(1) of the Municipal Act, 2001 **BE FIXED** at \$15,781;
3. A special charge **BE ESTABLISHED** for the amount referred to in part 2, above, by a levy in accordance with By-law CP-1 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 March 10, 2015 with respect to municipal special levy for the Old East Village Business Improvement Area.

BACKGROUND

The Old East Village Business Improvement Area (OEV BIA) approved its 2015 budget on January 21, 2015 and submitted it to the City of London's Finance Department on January 27, 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 OEV BIA has met this requirement in Schedule A, noting the 2015 expenditure budget of \$292,764.

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

- a) The OEV BIA submitted a 2015 budget of \$292,764 which represents a \$27,930 or 10.5% increase compared to its 2014 budget of \$264,834.
- b) Significant changes in revenues include one-time funding from Pathways Skill Development, partially offset by a reduction in the year end surplus contributed as revenue in the 2015 budget. Significant changes to expenditures include an increase to salaries and benefits (increase expenditure funded from one-time revenue from Pathways Skill Development), partially offsetting these expenditures are reductions in purchased services due to bookkeeping services now completed in-house and anticipated special project initiatives.

At the time of submitting this report, 2014 draft financial statements were unavailable. Estimates received from the OEV BIA indicated that there is a year end surplus of \$104,554 for 2014. The unaudited December 31, 2014 reserve balance as reported by OEV BIA, which includes year end adjustments is \$5,669.

As in 2014, 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 OEV BIA 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 OEV BIA meets this requirement each year through the City of London's Annual Financial Report.

Prepared By:	Reviewed By:
David Bordin Manager of Financial Planning & Policy	Jason Senese Manager of Financial Planning & Policy
Concurred By:	Recommended By:
Larry Palarchio Director of Financial Planning & Policy	Martin Hayward Managing Director, Corporate Services and City Treasurer, Chief Financial Officer

cc: Anna Lisa Barbon – Director, Financial Services
Jim Logan – Division Manager, Taxation & Revenue
Ian Collins – Senior Financial Business Administrator

Schedule A

Old East Village Business Improvement Area 2015 Proposed Budget with 2014 Comparators

Revenue Overview

OEVBIA Revenue Detail:	2014 Revised Budget	2014 Actuals	Surplus (Deficit)	2015 Proposed Budget	Increase / (Decrease) over 2014
Total City of London Levy	15,781	14,781	(1,000)	15,781	0
Allowance for Vacancy Rebates	(1,000)	0	1,000	(1,000)	0
City of London Funding	106,102	106,102	0	106,102	0
Creative Cities Funding	1,725	1,725	0	1,707	(18)
Pathways Skill Development	0	0	0	65,620	65,620
Prior Year Surplus	142,226	149,551	7,325	104,554	(37,672)
Miscellaneous Revenue	0	1,000	1,000	0	0
Total OEVBIA Revenue	264,834	273,159	8,325	292,764	27,930

Expenditure Overview

OEVBIA Expenditure Detail:	2014 Revised Budget	2014 Actuals	Surplus (Deficit)	2015 Proposed Budget	Increase / (Decrease) over 2014
Administration	4,500	4,363	137	5,800	1,300
Advertising, Marketing and Promotion	9,500	965	8,535	8,500	(1,000)
Beautification	5,000	2,525	2,475	5,000	0
Special Projects	23,669	17,523	6,146	10,636	(13,033)
Equipment / Building Allowance for Upgrades, Maintenance and Repairs	8,276	5,713	2,563	5,000	(3,276)
Salary & Benefits	110,192	109,402	790	180,806	70,614
Office Rental	10,597	4,250	6,347	8,440	(2,157)
Telephone	2,800	2,146	654	2,800	0
Travel	3,000	260	2,740	3,000	0
Printing and Communications	6,000	2,408	3,592	7,500	1,500
Financial Audits	1,500	3,644	(2,144)	1,500	0
Training, Education and Development	1,500	103	1,397	1,500	0
Purchased Services	63,300	5,433	57,867	38,000	(25,300)
Operating Supplies and Costs	4,500	2,117	2,383	4,282	(218)
Community Initiatives	10,500	5,274	5,226	10,000	(500)
HST Expense	0	2,479	(2,479)	0	0
Total OEVBIA Expenditures	264,834	168,605	96,229	292,764	27,930
Net Surplus / (Deficit)	0	104,554	104,554	0	0
Draw from / (Contribution to) Operating Fund	0	(104,554)	(104,554)	0	0
Net	0	0	0	0	0

Consistent with prior years, the BIA levy budget specifically relates to the Old East Village District, which encompasses Dundas Street between Adelaide Street and Elizabeth Street. All other expenditures encompass Dundas Street between Adelaide Street and Charlotte Street.

All figures subject to audit.

Schedule B

Bill No.
2015

By-law No. A.- _____

A by-law to raise the amount required for the purposes of The Old East Village Business Improvement Area Board of Management for the year 2015 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 CP-1, as amended, provides for an improvement area to be known as the Old East Village Business Improvement Area and to establish a Board of Management for it known as The Old East Village 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 Old East Village 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 2015 fiscal year submitted by The Old East Village Business Improvement Area Board of Management in the amount of \$292,764 attached as Schedule "A" is approved.
2. The amount to be raised by the Corporation for the 2015 fiscal year for the purposes of The Old East Village Business Improvement Area Board of Management and pursuant to subsection 208(1) of the *Municipal Act, 2001* is \$15,781.
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 CP-1, 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.

Passed in Open Council March 10, 2015

Matt Brown,
Mayor

Catharine Saunders,
City Clerk

First Reading – March 10, 2015
Second Reading – March 10, 2015
Third Reading – March 10, 2015