

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

RECOMMENDATION

It is recommended:

1. That the Argyle Business Improvement Area proposed 2015 budget submission in the amount of \$137,966 **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 Argyle Business Improvement Area and pursuant to subsection 208(1) of the Municipal Act, 2001 **BE FIXED** at \$116,480;
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 March 10, 2015 with respect to municipal special levy for the Argyle Business Improvement Area.

BACKGROUND

The Argyle Business Improvement Area approved its 2015 budget on February 2, 2015 and submitted it to the City of London's Finance Department on February 3, 2015 (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 2015 expenditure budget of \$137,966.

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

- a) The Argyle Business Improvement Area submitted a 2015 budget of \$137,966, which represents an increase of \$21,488 or 18.4% compared to its 2014 budget of \$116,478.
- b) The increase in revenue is primarily due to prior year end surplus that has been accounted for in the 2015 budget as well as a \$6,000 or 5.4% increase in the City of London levy. Significant budget changes to expenditures include adding 10 planters at various locations within the business improvement area and an increase in tax write offs and rebates to account for vacancies and property reassessments.

At the time of submitting this report, 2014 draft financial statements were unavailable. Estimates received from the Argyle Business Improvement Area indicated that there was a year end surplus of \$14,565 in 2014. The unaudited December 31, 2014 reserve balance as reported by Argyle Business Improvement Area, which includes year end position adjustments is nil.

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 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 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

Argyle Business Improvement Area 2015 Proposed Budget with 2014 Comparators

Revenue Overview

Argyle Revenue Detail:	2014 Revised Budget	2014 Actuals	Surplus (Deficit)	2015 Proposed Budget	Increase / (Decrease) over 2014
City of London Levy	110,480	110,480	0	116,480	6,000
Private Donations	500	0	(500)	0	(500)
Sublease	2,621	2,621	0	2,621	0
Internet Sharing	300	300	0	300	0
Interest Revenue	0	70	70	0	0
Prior Year Surplus	0	17,216	17,216	14,565	14,565
Gov't student funding	0	10,276	10,276	0	0
Miscellaneous	2,577	4,095	1,518	4,000	1,423
Total Argyle Revenue	116,478	145,058	28,580	137,966	21,488

Expenditure Overview

Argyle Expenditure Detail:	2014 Revised Budget	2014 Actuals	Surplus (Deficit)	2015 Proposed Budget	Increase / (Decrease) over 2014
Salaries and Wages	42,000	35,042	6,958	42,000	0
Student wages and benefits	0	10,716	(10,716)	0	0
Bookkeeping, audit and professional fees	8,000	9,444	(1,444)	6,000	(2,000)
Office Rent	10,000	10,633	(633)	10,000	0
Utilities	2,000	1,425	575	2,000	0
Telephone and Fax and Internet	1,800	2,012	(212)	1,800	0
Website Maintenance and Domain	1,200	77	1,123	1,200	0
Postage and Courier	500	255	245	500	0
Signage	0	6,321	(6,321)	3,000	3,000
Insurance	2,000	1,513	487	2,000	0
Printing	1,000	0	1,000	500	(500)
Repairs and Maintenance	0	735	(735)	2,500	2,500
Travel and Transportation	1,371	0	1,371	500	(871)
Bank Charges	120	33	87	120	0
Memberships - Provincial BIA	287	354	(67)	500	213
Quarterly Newsletter	200	0	200	200	0
Professional Development (Conference)	1,000	2,797	(1,797)	1,160	160
Office Supplies	3,000	3,269	(269)	2,000	(1,000)
Special Events	10,000	8,211	1,789	5,000	(5,000)
Other Program Initiatives (SCP)	10,000	19,647	(9,647)	10,000	0
Planters	0	0	0	10,000	10,000
Marketing/Consulting	22,000	8,111	13,889	26,986	4,986
Tax Write Offs & Rebates	0	9,898	(9,898)	10,000	10,000
Total Argyle Expenditure	116,478	130,493	(14,015)	137,966	21,488
Net Surplus / (Deficit)	0	14,565	14,565	0	0
Draw from / (Contribution to) Operating Fund	0	(14,565)	(14,565)	0	0
Net	0	0	0	0	0

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 Argyle 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 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 2015 fiscal year submitted by The Argyle Business Improvement Area Board of Management in the amount of \$137,966 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 Argyle Business Improvement Area Board of Management and pursuant to subsection 208(1) of the *Municipal Act, 2001* is \$116,480.
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.

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