

TO:	CORPORATE SERVICES COMMITTEE MEETING ON MARCH 8, 2016
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	ARGYLE BUSINESS IMPROVEMENT AREA 2016 PROPOSED BUDGET – MUNICIPAL SPECIAL LEVY

RECOMMENDATION

It is recommended:

1. That the Argyle Business Improvement Area proposed 2016 budget submission in the amount of \$170,168 **BE APPROVED** as outlined in Schedule A;
2. The amount to be raised by the Corporation for the 2016 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 \$124,496;
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 22, 2016 with respect to municipal special levy for the Argyle Business Improvement Area.

BACKGROUND

The Argyle Business Improvement Area approved its 2016 budget on February 4, 2016, (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 2016 expenditure budget of \$170,168.

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

- a) The Argyle Business Improvement Area submitted a 2016 budget of \$170,168, which represents an increase of \$32,202 or 23.3% compared to its 2015 budget of \$137,966.
- b) The increase in revenue is primarily due to prior year end surplus that has been accounted for in the 2016 budget as well as a \$8,016 or 6.9% increase in the City of London levy. Significant budget changes to expenditures include adding advertising banners, hosting a new summer event as well as increased budget for the Christmas parade and Christmas decorations.

At the time of submitting this report, 2015 draft financial statements were unavailable. Estimates received from the Argyle Business Improvement Area indicated that there was a year end surplus of \$41,672 in 2015. The unaudited December 31, 2015 reserve balance as reported by Argyle Business Improvement Area, which includes year end position adjustments is nil.

As in 2015, 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 two installments based on the budgeted special levy amount of \$124,496.

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 Accounting & Reporting	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 2016 Proposed Budget with 2015 Comparators

Revenue Overview

Argyle Revenue Detail:	2015 Revised Budget	2015 Actuals	2015 Surplus (Deficit)	2016 Proposed Budget	Increase / (Decrease) over 2015
City of London Levy	116,480	116,480	0	124,496	8,016
Sublease	2,621	2,620	(1)	0	(2,621)
Internet Sharing	300	300	0	0	(300)
Interest Revenue	0	93	93	0	0
Prior Year Surplus / (Deficit)	14,565	14,565	0	41,672	27,107
Tax Write off/Rebates	0	16,729	16,729	0	0
Government Student Funding	0	4,990	4,990	0	0
Miscellaneous	4,000	3,422	(578)	4,000	0
Total Argyle Revenue	137,966	159,199	21,233	170,168	32,202

Expenditure Overview

Argyle Expenditure Detail:	2015 Revised Budget	2015 Actuals	2015 Surplus (Deficit)	2016 Proposed Budget	Increase / (Decrease) over 2015
Salaries and Wages	42,000	45,603	(3,603)	43,250	1,250
Student Wages and Benefits	0	4,512	(4,512)	0	0
EI and CPP	0	3,426	(3,426)	3,500	3,500
Bookkeeping, Audit and Professional Fees	6,000	6,893	(893)	7,900	1,900
Office Rent	10,000	9,855	145	9,855	(145)
Utilities	2,000	1,265	735	1,300	(700)
Telephone and Fax and Internet	1,800	1,702	98	1,750	(50)
Website Maintenance and Domain	1,200	276	924	5,000	3,800
Postage and Courier	500	0	500	500	0
Signage/Banner Brackets	3,000	3,254	(254)	10,000	7,000
Insurance	2,000	1,452	548	1,500	(500)
Printing	500	0	500	0	(500)
Repairs and Maintenance	2,500	1,194	1,306	1,500	(1,000)
Travel and Transportation	500	444	56	500	0
Bank Charges	120	0	120	120	0
Memberships - Provincial BIA	500	850	(350)	355	(145)
Quarterly Newsletter	200	134	66	200	0
Professional Development (Conference)	1,160	773	387	2,000	840
Office Supplies	2,000	3,697	(1,697)	3,000	1,000
Special Events	5,000	6,340	(1,340)	10,323	5,323
Other Program Initiatives (Santa Claus Parade)	10,000	18,097	(8,097)	15,000	5,000
Planters/Hanging Basket Program	10,000	0	10,000	13,000	3,000
Marketing and Consulting	26,986	7,760	19,226	29,615	2,629
Tax Write Offs & Rebates	10,000	0	10,000	10,000	0
Total Argyle Expenditure	137,966	117,527	20,439	170,168	32,202
Net Surplus / (Deficit)	0	41,672	41,672	0	0
Draw from/(Contribution to) Operating Fund	0	(41,672)	(41,672)	0	0
Net	0	0	0	0	0

All figures subject to audit.

Schedule B

Bill No.
2016

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 2016 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 2016 fiscal year submitted by The Argyle Business Improvement Area Board of Management attached as Schedule "A" is approved.
2. The amount to be raised by the Corporation for the 2016 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 \$124,496.
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.

Matt Brown,
Mayor

Catharine Saunders,
City Clerk