

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

RECOMMENDATION

It is recommended:

1. That the Old East Village Business Improvement Area proposed 2016 budget submission in the amount of \$212,557 **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 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 22, 2016 with respect to municipal special levy for the Old East Village Business Improvement Area.

BACKGROUND

The Old East Village Business Improvement Area (OEVBIA) approved its 2016 budget on January 20, 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 OEVBIA has met this requirement in Schedule A, noting the 2016 expenditure budget of \$212,557.

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

- a) The OEVBIA submitted a 2016 budget of \$212,557 which represents a decrease of \$80,207 or (27.4%) compared to its 2015 budget of \$292,764.
- b) Significant changes in revenues include the conclusion of the one-time funding from Pathways Skill Development and a reduction in the prior year end surplus that has been accounted for in the 2016 budget. Significant changes to expenditures include a decrease to salaries and benefits related to the end of the one-time funding from Pathways Skill Development and a reduction in purchased services due to services now completed in-house.
- c) Excluded from the OEVBIA 2016 proposed budget is a submitted budget request for an increase of \$35,000 for City of London Funding for another staff position that will make it possible to capitalize on growth opportunities and address a back log of work including the expansion of the BIA boundary for 2016 to 2019. Approval of this funding in the 2016-2019 Multi-Year Property Tax Supported Budget will not occur until March 10, 2016.

At the time of submitting this report, 2015 draft financial statements were unavailable. Estimates received from the OEVBIA indicated that there is a year end surplus of \$91,674 for 2015. The unaudited December 31, 2015 reserve balance as reported by OEVBIA, which includes year end adjustments is \$5,669.

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 OEVBIA in one lump sum payment on the budgeted special levy amount of \$15,781.

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 OEVBIA 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

Old East Village Business Improvement Area
2016 Proposed Budget
with 2015 Comparators

Revenue Overview

OEVBIA Revenue Detail:	2015 Revised Budget	2015 Actuals	2015 Surplus (Deficit)	2016 Proposed Budget	Increase / (Decrease) over 2015
Total City of London Levy	15,781	14,908	(873)	15,781	0
Allowance for Vacancy rebates	(1,000)	(1,000)	0	(1,000)	0
Net City of London Levy	14,781	13,908	(873)	14,781	0
City of London Funding	106,102	106,102	0	106,102	0
Special Project Funding	0	3,000	3,000	0	0
Creative Cities Funding	1,707	1,707	0	0	(1,707)
Pathways Skill Development	65,620	65,620	0	0	(65,620)
Prior Year Surplus	104,554	108,746	4,192	91,674	(12,880)
Miscellaneous Revenue	0	1,072	1,072	0	0
Total OEVBIA Revenue	292,764	300,155	7,391	212,557	(80,207)

Expenditure Overview

OEVBIA Expenditure Detail:	2015 Revised Budget	2015 Actuals	2015 Surplus (Deficit)	2016 Proposed Budget	Increase / (Decrease) over 2015
Administration	5,800	4,114	1,686	7,614	1,814
Advertising, Marketing and Promotion	8,500	2,502	5,998	8,500	0
Beautification	5,000	1,792	3,208	8,000	3,000
Special Projects	10,636	1,326	9,310	13,000	2,364
Equipment / Building Allowance for Upgrades, Maintenance and Repairs	5,000	0	5,000	3,450	(1,550)
Salary & Benefits	180,806	136,348	44,458	139,684	(41,122)
Office Rental	8,440	8,441	(1)	8,440	0
Telephone	2,800	2,140	660	2,300	(500)
Travel	3,000	777	2,223	1,000	(2,000)
Printing and Communications	7,500	1,032	6,468	1,500	(6,000)
Financial Audits	1,500	1,300	200	1,500	0
Training, Education and Development	1,500	866	634	2,000	500
Purchased Services	38,000	39,269	(1,269)	9,058	(28,942)
Operating Supplies and Costs	4,282	1,615	2,667	2,000	(2,282)
Community Initiatives	10,000	5,052	4,948	4,511	(5,489)
HST Expense	0	1,907	(1,907)	0	0
Total OEVBIA Expenditures	292,764	208,481	84,283	212,557	(80,207)
Net Surplus / (Deficit)	0	91,674	91,674	0	0
Draw from/(Contribution to) Operating Fund	0	(91,674)	(91,674)	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.
2016

By-law No.

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 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 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 2016 fiscal year submitted by The Old East Village 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 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.

Matt Brown,
Mayor

Catharine Saunders,
City Clerk

