

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MARCH 7, 2017</b>
<b>FROM:</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER &amp; ACTING CITY MANAGER</b>
<b>SUBJECT:</b>	<b>OLD EAST VILLAGE BUSINESS IMPROVEMENT AREA 2017 PROPOSED BUDGET – MUNICIPAL SPECIAL LEVY</b>

<b>RECOMMENDATIONS</b>
------------------------

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer & Acting City Manager, the following actions be taken with respect to the Old East Village Business Improvement Area:

1. The Old East Village Business Improvement Area proposed 2017 budget submission in the amount of \$217,488 **BE APPROVED** as outlined in Schedule “A”;
2. The amount to be raised by The Corporation of the City of London for the 2017 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. The attached by-law (see Schedule “B”) with respect to municipal special levy for the Old East Village Business Improvement Area **BE INTRODUCED** at the Municipal Council meeting on March 21, 2017 for three readings.

<b>BACKGROUND</b>
-------------------

The Old East Village Business Improvement Area (OEVBIA) approved its 2017 budget on January 31, 2017, (Schedule “A”).

Under subsection 205(2) of the Municipal Act, 2001, a business improvement area must submit an annual budget to Council that Council may approve in whole or in part, but may not add expenditures to it. The OEVBIA has met this requirement in Schedule “A”, noting the 2017 expenditure budget of \$217,488; it being noted that the expenditure budget includes a \$2,000 contribution to the reserve fund.

Civic Administration provides the following comments based on our review of the submission:

- a) The OEVBIA submitted a 2017 budget of \$217,488 which represents an increase of \$4,931 or 2.3% compared to its 2016 budget of \$212,557.
- b) Total revenue shows an increase of \$4,931, which includes \$35,000 of funding committed by the City of London through to 2019, for a staff position that will be utilized to capitalize on growth opportunities and address a back log of work including the expansion of the BIA boundary. This funding reduces the reliance on prior year surplus to fund expenditures.
- c) Significant changes to expenditures include an increase in salary and benefits to recruit for junior positions as well as purchased services to contract out a position previously staffed in-house. These increases are partially offset by decreases to special projects for seasonal decorations, and a reduction in advertising, marketing and promotion costs.

At the time of submitting this report, 2016 financial statements were unavailable. Estimates received from the OEV BIA indicated that there is a year-end surplus of \$64,365 for 2016, after a reserve fund contribution of \$5,000. The unaudited December 31, 2016 reserve fund balance as reported by OEV BIA, which includes year-end adjustments is \$10,668.

The 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 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 OEV BIA meets this requirement each year through the City of London's Annual Financial Report.

<b>PREPARED BY:</b>	<b>REVIEWED BY:</b>
<b>Louie Bruni Manager, Financial Modelling, Forecasting and Systems Control</b>	<b>Annette Ripepi Manager, Financial Planning &amp; Policy</b>
<b>CONCURRED BY:</b>	<b>RECOMMENDED BY:</b>
<b>Larry Palarchio Director, Financial Planning &amp; Policy</b>	<b>Martin Hayward Managing Director, Corporate Services and City Treasurer, Chief Financial Officer &amp; Acting City Manager</b>

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  
2017 Proposed Budget  
with 2016 Comparators

Revenue Overview

OEVBIA Revenue Detail:	2016 Budget	2016 Actuals	2016 Surplus (Deficit)	2017 Proposed Budget	Increase / (Decrease) over 2016
Total City of London Levy	15,781	15,781	-	15,781	-
Allowance for Vacancy Rebates	(1,000)	(1,886)	(886)	(1,000)	-
<b>Net City of London Levy</b>	<b>14,781</b>	<b>13,895</b>	<b>(886)</b>	<b>14,781</b>	<b>-</b>
City of London Funding	106,102	141,102	35,000	141,102	35,000
Prior Year Surplus	91,674	96,006	4,332	60,629	(31,045)
Reserve Drawdown	-	-	-	976	976
Miscellaneous Revenue	-	765	765	-	-
<b>Total OEVBIA Revenue</b>	<b>212,557</b>	<b>251,768</b>	<b>39,211</b>	<b>217,488</b>	<b>4,931</b>

Expenditure Overview

OEVBIA Expenditure Detail:	2016 Revised Budget	2016 Actuals	2016 Surplus (Deficit)	2017 Proposed Budget	Increase / (Decrease) over 2016
Administration	7,614	4,740	2,874	6,300	(1,314)
Advertising, Marketing and Promotion	8,500	2,781	5,719	1,600	(6,900)
Beautification	8,000	598	7,402	5,000	(3,000)
Special Projects	13,000	2,756	10,244	3,000	(10,000)
Equipment / Building Allowance for Upgrades, Maintenance and Repairs	3,450	-	3,450	5,500	2,050
Salary & Benefits	139,684	139,814	(130)	155,538	15,854
Office Rental	8,440	12,661	(4,221)	12,661	4,221
Telephone	2,300	2,064	236	1,950	(350)
Travel	1,000	625	375	660	(340)
Printing and Communications	1,500	631	869	710	(790)
Financial Audits	1,500	1,400	100	1,469	(31)
Training, Education and Development	2,000	-	2,000	240	(1,760)
Purchased Services	9,058	8,603	455	15,860	6,802
Operating Supplies and Costs	2,000	575	1,425	800	(1,200)
Community Initiatives	4,511	4,018	493	4,200	(311)
HST Expense	-	1,137	(1,137)	-	-
Reserve Fund Contribution	-	5,000	(5,000)	2,000	2,000
<b>Total OEVBIA Expenditures</b>	<b>212,557</b>	<b>187,403</b>	<b>25,154</b>	<b>217,488</b>	<b>4,931</b>
<b>Net Surplus/(Deficit)</b>	<b>-</b>	<b>64,365</b>	<b>64,365</b>	<b>-</b>	<b>-</b>
<b>Draw from/(Contribution to) Operating Fund</b>	<b>-</b>	<b>(64,365)</b>	<b>(64,365)</b>	<b>-</b>	<b>-</b>
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Consistent with prior years, the BIA levy budget specifically relates to the Old East Village BIA Levy District, which encompasses Adelaide Street to Elizabeth Street.

All figures subject to audit.

All figures subject to rounding.

**Schedule "B"**

Bill No.  
2017

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 2017 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 2017 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 2017 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

First Reading – March 21, 2017  
Second Reading – March 21, 2017  
Third Reading – March 21, 2017