

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MARCH 7, 2017
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER & ACTING CITY MANAGER
SUBJECT:	ARGYLE BUSINESS IMPROVEMENT AREA 2017 PROPOSED BUDGET – MUNICIPAL SPECIAL LEVY

RECOMMENDATIONS

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 Argyle Business Improvement Area:

1. The Argyle Business Improvement Area proposed 2017 budget submission in the amount of \$170,728 **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 Argyle Business Improvement Area and pursuant to subsection 208(1) of the Municipal Act, 2001 **BE FIXED** at \$144,496;
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. The attached by-law (see Schedule “B”) with respect to municipal special levy for the Argyle Business Improvement Area **BE INTRODUCED** at the Municipal Council meeting on March 21, 2017 for three readings.

BACKGROUND

The Argyle Business Improvement Area approved its 2017 budget on October 13, 2016, (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 Argyle Business Improvement Area has met this requirement in Schedule “A”, noting the 2017 expenditure budget of \$170,728.

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

- a) The Argyle Business Improvement Area submitted a 2017 budget of \$170,728, which represents an increase of \$560 or 0.3% compared to its 2016 budget of \$170,168.
- b) The City of London Levy will increase by \$20,000 or 16.1% from \$124,496 to \$144,496. The increase in the City of London levy is primarily due to reduced surplus funds from the prior years available as a revenue source for the current year.
- c) Significant budget changes to expenditures include salary and wage increases for the hiring of a fulltime manager and other program initiatives to fulfill Argyle’s commitment related to the Kiwanis Park Project. These increases are partially offset by decreased expenditures for website maintenance and domain related to the completion of a social media campaign with the London Knights, signage/banner brackets as no new signage is required, and marketing and consulting due to a reduction in marketing for the Annual General Meeting and network management.

At the time of submitting this report, 2016 financial statements were unavailable. Estimates received from the Argyle Business Improvement Area indicated that there was a year-end deficit of \$5,867 in 2016. The unaudited December 31, 2016 reserve fund balance as reported by Argyle Business Improvement Area, which includes year-end position adjustments is nil.

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 Argyle Business Improvement Area in two installments based on the budgeted special levy amount of \$144,496.

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

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

Schedule "A"

Revenue Overview

Argyle Revenue Detail:	2016 Budget	2016 Actuals	2016 Surplus (Deficit)	2017 Proposed Budget	Increase / (Decrease) over 2016
City of London Levy	124,496	124,496	-	144,496	20,000
Interest Revenue	-	141	141	100	100
Draw from Accumulated Surplus	41,672	32,517	(9,155)	22,132	(19,540)
Tax Write off/Rebates	-	-	-	-	-
Government Student Funding	-	20,791	20,791	-	-
Miscellaneous	4,000	3,846	(154)	4,000	-
Total Argyle Revenue	170,168	181,791	11,623	170,728	560

Expenditure Overview

Argyle Expenditure Detail:	2016 Budget	2016 Actuals	2016 Surplus (Deficit)	2017 Proposed Budget	Increase / (Decrease) over 2016
Salaries and Wages	43,250	47,973	(4,723)	60,000	16,750
Student Wages and Benefits	-	23,610	(23,610)	-	-
EI and CPP	3,500	2,449	1,051	4,000	500
Bookkeeping, Audit and Professional Fees	7,900	11,149	(3,249)	8,330	430
Office Rent	9,855	9,600	255	9,855	-
Utilities	1,300	1,554	(254)	1,600	300
Telephone and Fax and Internet	1,750	1,526	224	1,600	(150)
Website Maintenance and Domain	5,000	185	4,815	500	(4,500)
Postage and Courier	500	299	201	500	-
Signage/Banner Brackets	10,000	11,678	(1,678)	1,000	(9,000)
Insurance	1,500	1,596	(96)	2,000	500
Repairs and Maintenance	1,500	344	1,156	1,500	-
Travel and Transportation	500	-	500	500	-
Bank Charges	120	16	104	120	-
Memberships - Provincial BIA	355	123	232	400	45
Quarterly Newsletter	200	-	200	-	(200)
Professional Development (Conference)	2,000	2,841	(841)	4,000	2,000
Office Supplies	3,000	4,723	(1,723)	4,500	1,500
Special Events	10,323	15,028	(4,705)	10,323	-
Other Program Initiatives	15,000	2,148	12,852	20,000	5,000
Planters/Hanging Basket Program	13,000	9,990	3,010	10,000	(3,000)
Marketing and Consulting	29,615	22,669	6,946	10,000	(19,615)
Tax Write Offs & Rebates	10,000	3,656	6,344	10,000	-
HST	-	11,390	(11,390)	10,000	10,000
Capital Purchase (new computers)	-	3,111	(3,111)	-	-
Total Argyle Expenditure	170,168	187,658	(17,490)	170,728	560
Net Surplus / (Deficit)		(5,867)	(5,867)	-	
Draw from/(Contribution to) Operating Fund		5,867	5,867	-	
Net	-	-	-	-	

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 Argyle 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 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 2017 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 2017 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 \$144,496.
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

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