

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MARCH 20, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	OLD EAST VILLAGE BUSINESS ASSOCIATION 2018 PROPOSED BUDGET – MUNICIPAL SPECIAL LEVY

RECOMMENDATION

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

- a. The Old East Village Business Improvement Area proposed 2018 budget submission in the amount of \$200,462 **BE APPROVED** as outlined in Schedule “A”;
- b. The amount to be raised by The Corporation of the City of London for the 2018 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 (which includes \$14,781 for the City of London levy and an estimated \$1,000 for an allowance for vacancy rebates administered by the City of London on behalf of the Old East Village Business Improvement Area);
- c. A special charge **BE ESTABLISHED** for the amount referred to in part b, 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
- d. 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 27, 2018 for three readings.

LINK TO STRATEGIC PLAN

Council’s 2015-2019 Strategic Plan for the City of London identifies “Growing Our Economy” and “Leading in Public Service” as strategic areas of focus. These areas include “Strategic, collaborative partnerships” and “Collaborative, engaged leadership” as strategic priorities. These priorities involve working better together for economic growth with Business Improvement Areas and continuing to build strong working relationship with such community partners. In line with these strategies, the City provides guidance to the Business Improvement Areas of London in regards to establishment and ongoing business and financial operations. The City also acts as the intermediary with respect to collecting the approved levy amounts which fund services to the Business Improvement Area members and thus promote continued growth in London’s economy.

BACKGROUND

The Old East Village Business Improvement Area (OEVBIA) approved its 2018 budget on January 31, 2018, (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 2018 expenditure budget of \$200,462.

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

- a) The OEVBIA submitted a 2018 budget of \$200,462 which represents a decrease of \$17,026 or 7.8% compared to its 2017 budget of \$217,488.
- b) Total revenue shows a decrease of \$17,026 or 7.8% due to a reduced draw from accumulated surplus to help cover total expenditures which are anticipated to decrease.
- c) Significant changes to expenditures include a decrease in salary and benefits due to a staff position transitioning from full-time to part-time. The staff change also results in a decrease to telephone expenses as the new part-time position will not require a cell phone. Purchased services are reduced as the new staff position will cover some of the activities that were previously contracted. A notable increase in expenditures is in community consultations due to increased infrastructure development projects.

At the time of submitting this report, 2017 financial statements were unavailable. Estimates received from the OEVBIA indicated that there is a year-end surplus of \$20,757 for 2017, after a reserve fund contribution of \$2,000. The unaudited December 31, 2017 reserve fund balance as reported by OEVBIA, which includes year-end adjustments is \$8,397.

The owners of business property within the business improvement area will be responsible for payment of the amount of \$15,781 to be raised by the Corporation for the 2018 fiscal year for the purposes of OEVBIA and pursuant to subsection 208(1) of the Municipal Act, 2001. The City of London will pay the OEVBIA the budgeted special levy amount of \$14,781, which reflects the allowance for vacancy rebates, upon Council approval.

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 AND CONCURRED BY:
CINDY WILLIAMSON, CPA, CGA MANAGER, FINANCIAL MODELLING, FORECASTING AND SYSTEMS CONTROL	ALAN DUNBAR, CPA, CGA MANAGER, FINANCIAL PLANNING & POLICY
RECOMMENDED BY:	
ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER	

Schedule "A"

Old East Village Business Improvement Area
2018 Proposed Budget
with 2017 Comparators

Revenue Overview

OEVBIA Revenue Detail:	2017 Budget	2017 Actuals	2017 Surplus (Deficit)	2018 Proposed Budget	% of Total Rev	Increase / (Decrease) over 2017
City of London Levy	15,781	15,781	-	15,781		-
Less: Allowance for Vacancy Rebates	(1,000)	(1,000)	-	(1,000)		-
Net City of London Levy	14,781	14,781	-	14,781		-
Interest Revenue	-	66	66	66		66
City of London Funding	141,102	141,202	100	141,102		-
Draw from Accumulated Surplus	60,629	-	(60,629)	44,513		(16,116)
Reserve Drawdown	976	4,271	3,295	-		(976)
Miscellaneous	-	2,242	2,242	-		-
Total OEVBIA Revenue	217,488	162,562	(54,926)	200,462	100.0%	(17,026)

Expenditure Overview

OEVBIA Expenditure Detail:	2017 Budget	2017 Actuals	2017 Surplus (Deficit)	2018 Proposed Budget	% of Total Exp	Increase / (Decrease) over 2017
ADMINISTRATION						
Telephone	1,950	1,427	523	1,500		(450)
Travel	660	335	325	660		-
Operating Supplies and Costs	800	517	283	800		-
Printing and Communications	710	316	394	710		-
Equipment / Building Allowance for Upgrades, Maintenance and Repairs	5,500	202	5,298	5,500		-
Salary & Benefits	21,544	21,544	-	21,817		273
Financial Audits	1,469	1,300	169	1,469		-
Training, Education and Development	240	-	240	240		-
Misc Administration	6,300	5,293	1,007	6,600		300
Total Administration	39,173	30,934	8,239	39,296	19.6%	123
RENT						
Office Rental	12,661	12,661	-	14,461		1,800
Total Rent	12,661	12,661	-	14,461	7.2%	1,800
BUSINESS DEVELOPMENT / MEMBER SERVICES						
Advertising, Marketing and Promotion	1,600	1,375	225	1,500		(100)
Purchased Services	15,860	1,560	14,300	13,300		(2,560)
Capital Purchase (Holiday Pole Decorations)	-	3,780	(3,780)	-		-
Salary & Benefits	133,994	82,997	50,997	118,605		(15,389)
Special Projects	3,000	420	2,580	3,000		-
Beautification	5,000	1,144	3,856	5,000		-
Community Initiatives	4,200	4,204	(4)	5,300		1,100
Total Business Development / Member Services	163,654	95,480	68,174	146,705	73.2%	(16,949)
HST Expense	-	730	(730)	-		-
Reserve Fund Contribution	2,000	2,000	-	-		(2,000)
Total OEVBIA Expenditures	217,488	141,805	75,683	200,462	100.0%	(17,026)
Net Surplus / (Deficit)	-	20,757	20,757	-		-
Draw from/(Contribution to) Operating Fund	-	(20,757)	(20,757)	-		-
Net	-	-	-	-		-

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.
2018

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 2018 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 2018 fiscal year submitted by the Old East Village Business Improvement Area Board of Management attached as Schedule "A", which includes a Net City of London Levy in the amount of \$14,781, is approved.
2. The amount to be raised by the Corporation for the 2018 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 27, 2018
Second Reading – March 27, 2018
Third Reading – March 27, 2018