

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:	ARGYLE BUSINESS IMPROVEMENT AREA 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 Argyle Business Improvement Area:

- a. The Argyle Business Improvement Area proposed 2018 budget submission in the amount of \$209,920 **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 Argyle Business Improvement Area and pursuant to subsection 208(1) of the Municipal Act, 2001 **BE FIXED** at \$186,720;
- c. A special charge **BE ESTABLISHED** for the amount referred to in part b, 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
- d. 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 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 Argyle Business Improvement Area approved its 2018 budget on February 14, 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 Argyle Business Improvement Area has met this requirement in Schedule “A”, noting the 2018 expenditure budget of \$209,920.

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

- a) The Argyle Business Improvement Area submitted a 2018 budget of \$209,920, which represents an increase of \$39,192 or 23.0% compared to its 2017 budget of \$170,728.

- b) The City of London levy will increase by \$42,224 or 29.2% from \$144,496 to \$186,720. The increase in the City of London levy, as per board and member approval, is to help cover the increase in expenditures.
- c) Significant budget changes to expenditures include an increase to salaries and wages due to the increase in minimum wages, a rent expense increase due to facility renovations being paid by the landlord and reflecting the cost in rent charged, and new office furniture for the newly renovated space. Other increases include an increase in Special Events related to the Kiwanis Park Project program initiatives and the Annual General Meeting due to an election year, extra funds being allocated to additional musical acts for the Santa Clause Parade reflected in the Other Program Initiatives expenditure and an increase in the Planters/Hanging Basket Program due to larger hanging flower basket sizes. These increases are partially offset by a decreased expenditure for HST due to Argyle attaining the Canada Revenue Agency designation of a municipality which entitles them to significant HST rebates.

At the time of submitting this report, 2017 financial statements were unavailable. Estimates received from the Argyle Business Improvement Area indicated that there was a year-end surplus of \$26,000 in 2017. The unaudited December 31, 2017 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 the budgeted special levy amount of \$186,720, 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 Argyle Business Improvement Area 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"

**Argyle Business Improvement Area
2018 Proposed Budget
with 2017 Comparators**

Revenue Overview

Argyle Revenue Detail:	2017 Approved Budget	2017 Actuals	2017 Surplus (Deficit)	2018 Proposed Budget	% of Total Rev	Increase / (Decrease) over 2017
City of London Levy	144,496	144,496	-	186,720		42,224
Interest Revenue	100	121	21	100		-
Draw from Accumulated Surplus	22,132	22,132	-	19,100		(3,032)
Government Student Funding	-	9,993	9,993	-		-
Miscellaneous	4,000	3,250	(750)	4,000		-
Total Argyle Revenue	170,728	179,992	9,264	209,920	100.0%	39,192

Expenditure Overview

Argyle Expenditure Detail:	2017 Approved Budget	2017 Actuals	2017 Surplus (Deficit)	2018 Proposed Budget	% of Total Exp	Increase / (Decrease) over 2017
ADMINISTRATION						
Salaries and Wages	60,000	56,625	3,375	70,000		10,000
Student Wages and Benefits	-	9,993	(9,993)	-		-
EI and CPP	4,000	4,445	(445)	4,000		-
Bookkeeping, Audit and Professional Fees	8,330	8,798	(468)	8,000		(330)
Utilities	1,600	1,691	(91)	1,700		100
Telephone and Fax and Internet	1,600	1,696	(96)	1,700		100
Insurance	2,000	1,541	459	2,000		-
Repairs and Maintenance	1,500	1,736	(236)	1,500		-
Furniture	-	-	-	8,000		8,000
Travel and Transportation	500	-	500	500		-
Bank Charges	120	-	120	120		-
Memberships - Provincial BIA	400	355	45	400		-
Office Supplies	4,500	6,597	(2,097)	5,500		1,000
Postage and Courier	500	-	500	500		-
Signage/Banner Brackets	1,000	1,119	(119)	1,000		-
Professional Development (Conference)	4,000	1,420	2,580	4,000		-
Website Maintenance and Domain	500	213	287	1,000		500
Total Administration	90,550	96,229	(5,679)	109,920	52.4%	19,370
RENT						
Office Rent	9,855	9,600	255	17,500		7,645
Total Rent	9,855	9,600	255	17,500	8.3%	7,645
MEMBER SERVICES						
Special Events	10,323	375	9,948	15,000		4,677
Quarterly Newsletter	-	-	-	500		500
Total Member Services	10,323	375	9,948	15,500	7.4%	5,177
BUSINESS DEVELOPMENT						
Marketing and Consulting	10,000	8,239	1,761	10,000		-
Other Program Initiatives	20,000	14,219	5,781	30,000		10,000
Planters/Hanging Basket Program	10,000	10,757	(757)	15,000		5,000
Total Business Development	40,000	33,215	6,785	55,000	26.2%	15,000
HST	10,000	1,249	8,751	2,000		(8,000)
Tax Write Offs	10,000	11,994	(1,994)	10,000		-
Allowance for Vacancy Rebates	-	1,330	(1,330)	-		-
Total Argyle Expenditure	170,728	153,992	16,736	209,920	100.0%	39,192
Net Surplus / (Deficit)	-	26,000	26,000	-		
Draw from/(Contribution to) Operating Fund	-	(26,000)	(26,000)	-		
Net	-	-	-	-		

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 Argyle 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 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 2018 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 2018 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 \$186,720.
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 27, 2018
Second Reading – March 27, 2018
Third Reading – March 27, 2018