

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MARCH 19, 2019
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	ARGYLE BUSINESS IMPROVEMENT AREA 2019 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 2019 budget submission in the amount of \$259,502 **BE APPROVED** as outlined in Schedule “A”;
- b. The amount to be raised by The Corporation of the City of London for the 2019 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 \$215,000;
- 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 26, 2019.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Corporate Services Committee, March 20, 2018, Agenda item 2.3, Argyle Business Improvement Area 2018 Proposed Budget – Municipal Special Levy
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=39743>

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 relationships 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 provided to the Business Improvement Area members and thus promote continued growth in London’s economy.

BACKGROUND

On November 8, 2018, the Board of Management of the Argyle Business Improvement Area (ABIA) approved the 2019 budget (Schedule “A”) and presented the budget to the members at the Annual General Meeting.

Under subsection 205(2) of the Municipal Act, 2001, a business improvement area (BIA) must submit an annual budget to Council that Council may approve in whole or in part, but may not add expenditures. The ABIA has met this requirement in Schedule “A”, noting the 2019 total expenditure budget of \$259,502.

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

- a) The ABIA submitted a 2019 budget of \$259,502, which represents an increase of \$49,582 (23.6%) compared to its 2018 budget of \$209,920. The total increase in revenue is a result of the following:
 - i. The Municipal Special Levy will increase by \$28,280 (15.1%) from \$186,720 to \$215,000. The increase in the levy is to help cover the cost of full-time staff members in addition to a contract position.

- ii. The Draw from Operating Fund will increase to cover the costs of some of the planned projects in 2019.
 - iii. A new budget amount for Government Student Funding under the Canada Summer Jobs program administered by Service Canada.
 - iv. A new budget amount for HST Rebate as the amount filed in 2018 accounted for four years' worth of rebates and a rebate is expected to be received annually going forward.
- b) Significant changes to expenditures in 2019 include:
- i. Salaries and Wages and Student Wages and Benefits - increased budget to cover the cost of two full-time staff. Also, an amount is budgeted for two summer students to be funded from the Canada Summer Jobs program administered by Service Canada.
 - ii. Furniture - no amount budgeted for 2019 as future costs of this nature will be reflected in the Office Supplies budget.
 - iii. Office Rent and Office Supplies - expense has increased due to an office expansion in the spring of 2018 requiring additional office equipment in 2019.
 - iv. Summer Event, Annual General Meeting and Special Events - separate amounts are budgeted for the annual summer event held for the BIA members and the community and the annual general meeting that is held at the end of each year; these expenses were budgeted under Special Events in the past but are now segregated.
 - v. Planters/Hanging Basket Program - increased the budget to cover the costs of larger hanging baskets and better quality flowers to withstand varying weather conditions.
 - vi. Long-term Initiatives - a significant amount is budgeted for long-term initiatives to cover the costs of some of the following planned projects:
 - Coloured sidewalks
 - Benches to be placed along Dundas Street
 - Update the designs of banners
 - Kiwanis Park beautification project

At the time of submitting this report, the audited 2018 financial statements were unavailable. Estimates received from the ABIA indicated that there was a year-end surplus of \$25,402 in 2018. There was no accumulated funding in the Operating Fund or Reserve Fund as at December 31, 2018.

The owners of business property within the BIA will be responsible for payment of \$215,000 to be raised by the Corporation for the 2019 fiscal year for the purposes of ABIA and pursuant to subsection 208(1) of the Municipal Act, 2001. Upon Council approval, the City of London will pay ABIA the budgeted Municipal Special Levy amount.

Under subsection 207(1) of the Municipal Act, 2001, a business improvement area must submit to Council its audited annual financial report for the preceding year. The ABIA meets this requirement each year through the City of London's Annual Financial Report.

PREPARED BY:	REVIEWED BY:
ZEINA NSAIR, CPA, CGA MANAGER, FINANCIAL MODELLING, FORECASTING AND SYSTEMS CONTROL FINANCIAL PLANNING & POLICY	ALAN DUNBAR, CPA, CGA MANAGER FINANCIAL PLANNING & POLICY
SUBMITTED BY:	RECOMMENDED BY:
KYLE MURRAY, CPA, CA DIRECTOR FINANCIAL PLANNING & BUSINESS SUPPORT	ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER

**Argyle Business Improvement Area
2019 Proposed Budget
with 2018 Comparators**

Revenue Overview

Argyle Revenue Detail:	2018 Approved Budget	2018 Actuals	2018 Surplus (Deficit)	2019 Proposed Budget	% of Total Rev	Increase / (Decrease) over 2018
Municipal Special Levy	186,720	186,720	-	215,000		28,280
Net Municipal Special Levy	186,720	186,720	-	215,000		28,280
Interest Revenue	100	192	92	100		-
Draw from Operating Fund	19,100	-	(19,100)	25,402		6,302
Government Student Funding	-	10,004	10,004	10,000		10,000
Miscellaneous	4,000	4,849	849	4,000		-
HST Rebate		17,742	17,742	5,000		5,000
Total Argyle Revenue	209,920	219,507	9,587	259,502	100%	49,582

Expenditure Overview

Argyle Expenditure Detail:	2018 Approved Budget	2018 Actuals	2018 Surplus (Deficit)	2019 Proposed Budget	% of Total Exp	Increase / (Decrease) over 2018
ADMINISTRATION						
Salaries and Wages	70,000	84,283	(14,283)	80,000		10,000
Student Wages and Benefits	-	8,092	(8,092)	10,000		10,000
EI and CPP	4,000	-	4,000	4,000		-
Bookkeeping, Audit and Professional Fees	8,000	5,601	2,399	9,000		1,000
Utilities	1,700	1,561	139	2,000		300
Telephone and Fax and Internet	1,700	1,129	571	2,000		300
Insurance	2,000	1,658	342	2,000		-
Repairs and Maintenance	1,500	8,788	(7,288)	4,000		2,500
Furniture	8,000	7,788	212			(8,000)
Travel and Transportation	500	35	465	500		-
Bank Charges	120	875	(755)	120		-
Memberships - Provincial BIA	400	443	(43)	400		-
Office Supplies	5,500	10,777	(5,277)	8,500		3,000
Postage and Courier	500	231	269	1,000		500
Signage/Banner Brackets	1,000	990	10	2,500		1,500
Professional Development (Conference)	4,000	1,277	2,723	4,000		-
Website Maintenance and Domain	1,000	395	605	1,000		-
Total Administration	109,920	133,923	(24,003)	131,020	50.5%	21,100
RENT						
Office Rent	17,500	15,121	2,379	22,000		4,500
Total Rent	17,500	15,121	2,379	22,000	8.5%	4,500
MEMBER SERVICES						
Special Events	15,000	988	14,012			(15,000)
Quarterly Newsletter	500	-	500	-		(500)
Total Member Services	15,500	988	14,512	-	0.0%	(15,500)
BUSINESS DEVELOPMENT						
Annual General Meeting			-	5,000		5,000
Summer Event			-	5,000		5,000
Marketing and Consulting	10,000	5,273	4,727	13,180		3,180
Other Program Initiatives/ Santa Clause Parade	30,000	25,743	4,257	30,000		-
Planters/Hanging Basket Program	15,000	10,468	4,532	20,000		5,000
Total Business Development	55,000	41,484	13,516	73,180	28.2%	18,180
HST	2,000	519	1,481	2,000		-
Tax Write Offs/ Business Appeals	10,000	2,070	7,930	10,000		-
Long-term Initiatives	-		-	21,302		21,302
Total Other	12,000	2,589	9,411	33,302	12.8%	21,302
Total Argyle Expenditure	209,920	194,105	15,815	259,502	100.0%	49,582
Net Surplus / (Deficit)	-	25,402	25,402	-		
Draw from/(Contribution to) Operating Fund	-	(25,402)	(25,402)	-		
Net	\$ -	\$ -	\$ -	\$ -		

All figures subject to audit.

All figures subject to rounding.

Bill No.
2019

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 2019 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 establishes 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 the municipality shall annually raise the amount required for the purposes of the board of management (of a business improvement area);

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 2019 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 2019 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 \$215,000.
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.

Ed Holder,
Mayor

Catharine Saunders,
City Clerk

First Reading – March 26, 2019
Second Reading – March 26, 2019
Third Reading – March 26, 2019