

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:	HYDE PARK 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 Hyde Park Business Improvement Area:

- a. The Hyde Park Business Improvement Area proposed 2019 budget submission in the amount of \$361,200 **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 Hyde Park Business Improvement Area and pursuant to subsection 208(1) of the Municipal Act, 2001 **BE FIXED** at \$342,500;
- c. A special charge **BE ESTABLISHED** for the amount referred to in part b, above, by a levy in accordance with By-law CP-1519-490 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 Hyde Park 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 2.4, Hyde Park Business Association 2018 Proposed Budget – Municipal Special Levy
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=39753>

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 February 21, 2019, the Board of Management of the Hyde Park Business Improvement Area (HPBIA) approved the 2019 budget (Schedule “A”).

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 Hyde Park BIA has met this requirement in Schedule “A”, noting the 2019 expenditure budget of \$361,200.

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

- a) The Hyde Park BIA submitted a 2019 budget of \$361,200, which represents an increase of \$54,446 (17.7%) compared to its 2018 budget of \$306,754.
- b) Revenue is higher in 2019 after a \$35,746 (11.7%) levy increase for a total levy of \$342,500, plus a \$10,000 draw from the Operating Fund. The levy increase is a result of new businesses establishing within HPBIA's boundaries.
- c) Significant changes to expenditures in 2019 include:
 - i. Salary and Wages - increased as a staff position has been added for marketing, social media and communications for the BIA.
 - ii. Pondfest/Outdoor Piano Program - increased the budget to stage a larger event than 2018 and provide more marketing to encourage greater participation from across London. Hosting events like Pondfest is an important part of HPBIA's mandate.
 - iii. Member Incentive Program – a new budget amount for the Uptown Dollars program to promote shopping at local vendors.
 - iv. Community Beautification Projects - expense has increased to extend the scope of beautification within the BIA's boundaries.
 - v. Allowance for Vacancy Rebates - no amount budgeted for 2019 because the program was eliminated.
 - vi. City Repayment - no amount budgeted for 2019 because the \$16,860 owed to the City of London was paid in full in 2018.

At the time of submitting this report, audited 2018 financial statements were unavailable. Estimates received from HPBIA indicate a 2018 year-end surplus of \$49,563 and an unaudited December 31, 2018 balance in the Operating Fund of \$49,630.

The owners of business property within the business improvement area will be responsible for payment of \$342,500 to be raised by the Corporation for the 2019 fiscal year for the purposes of HPBIA and pursuant to subsection 208(1) of the Municipal Act, 2001. Upon Council approval, the City of London will pay HPBIA 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 HPBIA 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

Schedule "A"

Hyde Park Business Improvement Area
2019 Proposed Budget
with 2018 Comparators

Revenue Overview

Revenue Detail:	2018 Approved Budget	2018 Actuals	2018 Surplus (Deficit)	2019 Proposed Budget	% of Total Rev	Increase / (Decrease) over 2018
Municipal Special Levy	306,754	306,754	-	342,500		35,746
Supplementary Taxes		19,146	19,146		0.0%	-
Net Municipal Special Levy	306,754	325,900	19,146	342,500	100.0%	35,746
Draw from Operating Fund			-	10,000		10,000
Government Student Funding		3,718	3,718	3,700		3,700
Miscellaneous		2,365	2,365	5,000		5,000
Total Revenue	306,754	331,983	25,229	361,200	100.0%	54,446

Expenditure Overview

Expenditure Detail:	2018 Approved Budget	2018 Actuals	2018 Surplus (Deficit)	2019 Proposed Budget	% of Total Exp	Increase / (Decrease) over 2018
ADMINISTRATION						
Salary, Wages, MERCS	90,318	92,132	(1,814)	115,265	31.9%	24,947
Summer Student		3,718	(3,718)	3,700		3,700
Insurance	2,111	2,814	(703)	2,700	0.7%	589
Bookkeeping, Audit, Professional Fees	9,500	1,326	8,174	9,500	2.6%	-
Total Administration	101,929	99,990	1,939	131,165	36.3%	29,236
OFFICE						
Office Signage	500	143	357		0.0%	(500)
Office Furniture	5,000	9,857	(4,857)	2,500	0.7%	(2,500)
Leasehold Improvements			-	3,500	1.0%	3,500
Total Office	5,500	10,000	(4,500)	6,000	1.7%	500
RENT						
Office Rent incl tax	23,526	23,526	-	24,232	6.7%	706
Total Rent	23,526	23,526	-	24,232	6.7%	706
GENERAL EXPENSES						
Phone, Internet, Office 365	2,186	1,908	278	2,186	0.6%	-
Stationary / Supplies	5,000	3,459	1,541	4,000	1.1%	(1,000)
Training / Conferences	4,000	3,842	158	4,000	1.1%	-
Subscriptions / Memberships	800	789	11	800	0.2%	-
Bank Charges	250	366	(116)	250	0.1%	-
Operating			-	1,500	0.4%	1,500
Miscellaneous Expense	3,000	3,265	(265)		0.0%	(3,000)
Total General Expenses	15,236	13,629	1,607	12,736	3.5%	(2,500)
MEMBER SERVICES						
AGM including Postage	10,000	3,397	6,603	8,000	2.2%	(2,000)
Member365	3,133	2,788	345	1,800	0.5%	(1,333)
Q Newsletters / Graphic Design / Content Dev	1,500		1,500	-	0.0%	(1,500)
Total Member Services	14,633	6,185	8,448	9,800	2.7%	(4,833)
BUSINESS DEVELOPMENT						
Communications & Marketing	6,000	7,599	(1,599)	6,000	1.7%	-
Promotional Marketing Materials	3,000	3,046	(46)	3,000	0.8%	-
Website Dev, Hosting & Maintenance	5,000	1,707	3,293	1,500	0.4%	(3,500)
Monthly Business Networking Meetings	4,000		4,000	2,500	0.7%	(1,500)
Special Events / Sponsorships	10,000	6,699	3,301	10,000	2.8%	-
Other Program Initiatives	5,000	4,999	1	4,800	1.3%	(200)
Pondfest / Outdoor Piano Program	6,000	7,401	(1,401)	15,000	4.2%	9,000
Traffic Calming Program	8,500	5,484	3,016	8,500	2.4%	-
Member Incentive Program			-	10,000	2.8%	10,000
CTV Ad Package	27,000	13,147	13,853	28,000	7.8%	1,000
Community Beautification Projects	50,000	46,974	3,026	74,467	20.6%	24,467
Total Business Development	124,500	97,056	27,444	163,767	45.3%	39,267
Allowance for Vacancy Rebates	10,000	-	10,000		0.0%	(10,000)
City Repayment	8,430	16,860	(8,430)	-	0.0%	(8,430)
Contingency	3,000		3,000	6,000	1.7%	3,000
HST		15,174	(15,174)	7,500	2.1%	7,500
Total Hyde Park Expenditure	306,754	282,420	24,334	361,200	100.0%	54,446
Net Surplus / (Deficit)		49,563	49,563	-		
Draw from/(Contribution to) Operating Fund		(49,563)	(49,563)	-		
Net	-	-	-	-		

All figures subject to audit.

All figures subject to rounding.

Schedule “B”

Bill No.
2019

By-law No.

A by-law to raise the amount required for the purposes of the Hyde Park 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 CP-1519-490, as amended, provides for an improvement area to be known as the Hyde Park Business Improvement Area and establishes a Board of Management for it known as the Hyde Park 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 Hyde Park 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 Hyde Park Business Improvement Area Board of Management and pursuant to subsection 208(1) of the *Municipal Act, 2001* is \$342,500.
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-1519-490, 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