

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MARCH 19, 2019</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>OLD EAST VILLAGE BUSINESS IMPROVEMENT AREA 2019 PROPOSED BUDGET – MUNICIPAL SPECIAL LEVY</b>

<b>RECOMMENDATION</b>
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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 2019 budget submission in the amount of \$205,191 **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 Old East Village Business Improvement Area and pursuant to subsection 208(1) of the Municipal Act, 2001 **BE FIXED** at \$42,000 (which includes \$40,000 for the Municipal Special Levy and an estimated \$2,000 for an allowance for levy 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 26, 2019.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Planning and Environment Committee, September 24, 2018, Agenda item 2.6, Amendment to By-law CP-1 – Expansion of Old East Village Business Improvement Area  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=50661>

Planning and Environment Committee, May 14, 2018, Agenda item 4.4, Expansion of, and Amendment to, By-law CP-1 – Old East Village Business Improvement Area  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=44516>

Corporate Services Committee, March 20, 2018, Agenda item 2.2, Old East Village Business Association 2018 Proposed Budget – Municipal Special Levy  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=39756>

Planning and Environment Committee, March 19, 2018, Agenda item 4.3, Old East Village Business Improvement Area Request for Boundary Expansion  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=39806>

<b>LINK TO STRATEGIC PLAN</b>
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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.

<b>BACKGROUND</b>
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On January 16, 2019, the Board of Management of the Old East Village Business Improvement Area (OEVBIA) approved the 2019 budget (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. The OEVBIA has met this requirement in Schedule "A", noting the 2019 total expenditure budget of \$205,191.

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

- a) The OEVBIA submitted a 2019 budget of \$205,191 which represents an increase of \$4,729 (2.4%) compared to its 2018 budget of \$200,462.
- b) Revenue includes Net Municipal Special Levy of \$40,000 and City of London Funding of \$141,102. Total revenue increased by \$4,729 (2.4%) due to a \$25,219 net increase in the levy as a result of the expansion of OEVBIA's boundaries, as approved by Council on October 2, 2018, offset by a decrease in OEVBIA's draw from the Operating Fund.
- c) Significant changes to expenditures in 2019 include:
  - i. Operating Supplies and Costs/Printing and Communication – an increase to support the annual general meeting as a result of 2019 being a Board election year;
  - ii. Special Projects - an increase to fund beautification enhancements to promote the Juno Awards, some of which may include wood hoarding on buildings under construction;
  - iii. Salaries and Benefits - a decrease as a result of restructuring three positions into two positions ; and,
  - iv. Advertising, Marketing and Promotion – an increase as a result of establishing a yearly marketing plan for OEVBIA with additional advertising mediums being considered.

At the time of submitting this report, audited 2018 financial statements were unavailable. Estimates received from the OEVBIA indicated that there is a 2018 year-end surplus of \$4,068. The unaudited December 31, 2018 reserve fund balance is \$8,002 and the unaudited balance in the Operating Fund is \$91,081, including year-end adjustments.

The owners of business property within the business improvement area will be responsible for payment of \$42,000 to be raised by the Corporation for the 2019 fiscal year for the purposes of OEVBIA and pursuant to subsection 208(1) of the Municipal Act, 2001. Upon Council approval, the City of London will pay the OEVBIA the budgeted Net Municipal Special Levy amount of \$40,000, which reflects the allowance for levy rebates.

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 OEVBIA meets this requirement each year through the City of London's Annual Financial Report.

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

## Schedule "A"

**Old East Village Business Improvement Area  
2019 Proposed Budget  
with 2018 Comparators**

**Revenue Overview**

OEVBIA Revenue Detail:	2018 Budget	2018 Actuals	2018 Surplus (Deficit)	2019 Proposed Budget	% of Total Rev	Increase / (Decrease) over 2018
Municipal Special Levy	15,781	15,781	-	42,000		26,219
Less: Allowance for Levy Rebates	(1,000)	(1,000)	-	(2,000)		(1,000)
<b>Net Municipal Special Levy</b>	<b>14,781</b>	<b>14,781</b>	<b>-</b>	<b>40,000</b>		<b>25,219</b>
Interest Revenue	66	34	(32)	66		-
City of London Funding	141,102	141,102	-	141,102		-
Draw from Operating Fund	44,513		(44,513)	24,023		(20,490)
Reserve Fund Drawdown		395	395			-
Miscellaneous		250	250			-
<b>Total OEVBIA Revenue</b>	<b>200,462</b>	<b>156,562</b>	<b>(43,900)</b>	<b>205,191</b>	<b>100%</b>	<b>4,729</b>

**Expenditure Overview**

OEVBIA Expenditure Detail:	2018 Budget	2018 Actuals	2018 Surplus (Deficit)	2019 Proposed Budget	% of Total Exp	Increase / (Decrease) over 2018
<b>ADMINISTRATION</b>						
Telephone	1,500	1,169	331	1,500		-
Travel	660	550	110	700		40
Operating Supplies and Costs	800	561	239	1,000		200
Printing and Communications	710	781	(71)	1,500		790
Equipment / Building Allowance for Upgrades, Maintenance and Repairs	5,500	50	5,450	5,500		-
Salary & Benefits	21,817	18,823	2,994	23,420		1,603
Financial Audits	1,469	1,300	169	1,469		-
Training, Education and Development	240	161	79	500		260
Misc Administration	6,600	5,453	1,147	7,000		400
<b>Total Administration</b>	<b>39,296</b>	<b>28,848</b>	<b>10,448</b>	<b>42,589</b>	<b>20.8%</b>	<b>3,293</b>
<b>RENT</b>						
Office Rental	14,461	12,661	1,800	14,461		-
<b>Total Rent</b>	<b>14,461</b>	<b>12,661</b>	<b>1,800</b>	<b>14,461</b>	<b>7.0%</b>	-
<b>BUSINESS DEVELOPMENT / MEMBER SERVICES</b>						
Advertising, Marketing and Promotion	1,500	3,925	(2,425)	6,500		5,000
Purchased Services	13,300	2,688	10,612	13,300		-
Salary & Benefits	118,605	96,543	22,062	111,341		(7,264)
Special Projects	3,000	1,820	1,180	6,500		3,500
Beautification	5,000	1,697	3,303	5,000		-
Community Initiatives	5,300	3,804	1,496	5,500		200
<b>Total Business Development / Member Services</b>	<b>146,705</b>	<b>110,477</b>	<b>36,228</b>	<b>148,141</b>	<b>72.2%</b>	<b>1,436</b>
HST Expense		508	(508)	-		-
<b>Total Other</b>	-	<b>508</b>	<b>(508)</b>	-	<b>0.0%</b>	-
<b>Total OEVBIA Expenditures</b>	<b>200,462</b>	<b>152,494</b>	<b>47,968</b>	<b>205,191</b>	<b>100.0%</b>	<b>4,729</b>
<b>Net Surplus / (Deficit)</b>	-	<b>4,068</b>	<b>4,068</b>	-		
<b>Draw from/(Contribution to) Operating Fund</b>	-	<b>(4,068)</b>	<b>(4,068)</b>	-		
<b>Net</b>	-	-	-	-		

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 Old East Village 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-1, as amended, provides for an improvement area to be known as the Old East Village Business Improvement Area and establishes 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 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 Old East Village Business Improvement Area Board of Management attached as Schedule "A", which includes a Net Municipal Special Levy in the amount of \$40,000, is approved.
2. The amount to be raised by the Corporation for the 2019 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 \$42,000.
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 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.

Ed Holder,  
Mayor

Catharine Saunders,  
City Clerk

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