

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON JANUARY 20, 2020</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>HAMILTON ROAD BUSINESS IMPROVEMENT AREA 2020 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 Hamilton Road Business Improvement Area:

- a. The Hamilton Road Business Improvement Area proposed 2020 budget submission in the amount of \$123,525 **BE APPROVED** as outlined in Schedule “A”;
- b. The amount to be raised by The Corporation of the City of London for the 2020 fiscal year for the purposes of the Hamilton Road Business Improvement Area and pursuant to subsection 208(1) of the Municipal Act, 2001 **BE FIXED** at \$70,000;
- c. A special charge **BE ESTABLISHED** for the amount referred to in part b, above, by a levy in accordance with By-law C.P.-1528-486 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 (Schedule “B”) with respect to Municipal Special Levy for the Hamilton Road Business Improvement Area **BE INTRODUCED** at the Municipal Council meeting on January 28, 2020.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Corporate Services Committee, March 19, 2019, Agenda item 2.12, Hamilton Road Business Improvement Area 2020 Proposed Budget – Municipal Special Levy  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=59978>

<b>LINK TO STRATEGIC PLAN</b>
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Council’s 2019-2023 Strategic Plan for the City of London identifies “Growing Our Economy” and “Leading in Public Service” as strategic areas of focus; these 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 areas of focus, 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 December 23, 2019, the Board of Management of the Hamilton Road Business Improvement Area (HRBIA) approved the 2020 budget (Schedule “A”) which was presented to the members on November 28, 2019.

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 HRBIA has met this requirement in Schedule “A”, noting the 2020 expenditure budget of \$123,525.

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

- a) HRBIA submitted a 2020 budget of \$123,525, which represents a decrease of \$17,000 (-12.1%) compared to its 2019 budget of \$140,525.
- b) A \$50,000 Special Allowance granted by Council in February 2019 was not fully expended in 2019. A balance of \$33,000 is remaining. HRBIA was unable to carry out all the 2019

planned initiatives as a significant amount of time was spent on establishing BIA policies and procedures during its first year of operations. Some of the long-term and short-term initiatives that were intended to be completed with the special allowance have been deferred to 2020.

- c) Salaries and Wages - an increase of \$13,115 as a result of wage rate increases and replacement of staff, after netting the decrease in "Administration" salaries and wages with the increase in "Business Development" salaries and wages.
- d) Printing - a decrease in this expenditure as there were no actuals in 2019, and HRBIA is not anticipating to spend a significant amount on printing in 2020.
- e) Training/Conference - no amount budgeted for 2020 as there is not sufficient funding available for staff to attend the Ontario Business Improvement Area Association conference.
- f) Special Events/Projects - no amount budgeted for 2020 as all projects are included in Long-term & Short-term Initiatives.
- g) Long-term and Short-term Initiatives - a decrease in 2020 to reflect the balance remaining from the Special Allowance granted by Council in February 2019; \$32,978 is budgeted for short-term and long-term initiatives to cover the cost of the following planned projects:
  - i. Pole banners and decoration brackets
  - ii. Promotion, festivals and tourist attractions
  - iii. Tree trunk tours
  - iv. Hamlet festival

At the time of submitting this report, the audited 2019 financial statements were unavailable. Estimates received from the HRBIA indicated there is a projected year-end surplus of \$33,000 in 2019.

The owners of business property within the business improvement area will be responsible for payment of \$70,000 to be raised by the Corporation for the 2020 fiscal year for the purposes of HRBIA and pursuant to subsection 208(1) of the Municipal Act, 2001. Upon Council approval, the City of London will pay HRBIA 50% of the budgeted Municipal Special Levy, with the remaining 50% to be paid on or after June 30<sup>th</sup>.

<b>PREPARED BY:</b>	<b>REVIEWED BY:</b>
<b>ZEINA NSAIR, CPA, CGA MANAGER, FINANCIAL MODELLING, FORECASTING AND SYSTEMS CONTROL</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"

Hamilton Road Business Improvement Area Template  
2020 Proposed Budget  
with 2019 Comparators

Revenue Overview

Hamilton Road BIA Revenue Detail:	2018 Unaudited	2019 Budget	2019 Projected Actuals	2019 Projected Surplus (Deficit)	2020 Proposed Budget	% of Total Rev	Increase / (Decrease) over 2019	% Budget Change over 2019
Municipal Special Levy	-	70,000	70,000	-	70,000		-	0.0%
<b>Net Municipal Special Levy</b>	-	70,000	70,000	-	70,000		-	0.0%
Special Allowance Granted by Council	-	50,000	50,000	-	-		(50,000)	(100.0%)
Draw from Operating Fund	-	-	-	-	33,000		33,000	0.0%
Government Student Funding	-	18,025	16,198	(1,827)	18,025		-	0.0%
Administrative Fees	-	2,500	2,500	-	2,500		-	0.0%
Digital MainStreet Grant	-	-	1,200	1,200	-		-	0.0%
<b>Total Hamilton Road BIA Revenue</b>	-	<b>140,525</b>	<b>139,898</b>	<b>(627)</b>	<b>123,525</b>	<b>100%</b>	<b>(17,000)</b>	<b>(12.1%)</b>

Expenditure Overview

Hamilton Road BIA Expenditure Detail:	2018 Unaudited*	2019 Budget	2019 Projected Actuals	2019 Projected Surplus (Deficit)	2020 Proposed Budget	% of Total Exp	Increase / (Decrease) over 2019	% Budget Change over 2019
<b>ADMINISTRATION</b>								
Admin Salaries and Wages	9,337	40,800	31,050	9,750	39,278		(1,522)	(3.7%)
Payroll, EI and CPP	-	2,805	3,086	(281)	2,022		(783)	(27.9%)
Summer Jobs	-	17,000	14,663	2,337	17,000		-	0.0%
Payroll, EI and CPP (Summer Jobs)	-	1,025	963	62	1,025		-	0.0%
Telephone and Fax and Internet	-	1,500	1,675	(175)	1,600		100	6.7%
Office Supplies + Equipment	-	1,200	5,559	(4,359)	500		(700)	(58.3%)
Printing	-	1,800	-	1,800	300		(1,500)	(83.3%)
Insurance	-	1,000	1,537	(537)	1,600		600	60.0%
Training/Conference	-	3,000	1,656	1,344	-		(3,000)	(100.0%)
Mileage Expenses	-	550	155	395	250		(300)	(54.5%)
Postage and Courier	-	600	144	456	200		(400)	(66.7%)
Bank Charges	-	300	72	228	150		(150)	(50.0%)
<b>Total Administration</b>	<b>9,337</b>	<b>71,580</b>	<b>60,560</b>	<b>11,020</b>	<b>63,925</b>	<b>52%</b>	<b>(7,655)</b>	<b>(10.7%)</b>
<b>RENT</b>								
Rent	1,800	7,200	7,200	-	7,200		-	0.0%
<b>Total Rent</b>	<b>1,800</b>	<b>7,200</b>	<b>7,200</b>	<b>-</b>	<b>7,200</b>	<b>6%</b>	<b>-</b>	<b>0.0%</b>
<b>BUSINESS DEVELOPMENT</b>								
Website Maintenance and Domain	-	850	2,266	(1,416)	1,000		150	17.6%
Signage and Permits	-	645	971	(326)	1,000		355	55.0%
Marketing	-	1,200	1,106	94	560		(640)	(53.3%)
Public Art Maintenance	-	1,100	3,405	(2,305)	1,500		400	36.4%
Special Events/Projects	-	6,300	1,271	5,029	-		(6,300)	(100.0%)
Long-term & Short-term Initiatives	-	50,000	5,587	44,413	32,978		(17,022)	(34.0%)
Salaries and Wages - Long-term & Short-Term Initiatives	-	-	11,940	(11,940)	14,637		14,637	0.0%
<b>Total Business Development</b>	<b>-</b>	<b>60,095</b>	<b>26,546</b>	<b>33,549</b>	<b>51,675</b>	<b>42%</b>	<b>(8,420)</b>	<b>(14.0%)</b>
<b>MEMBER SERVICES</b>								
CRM/Membership Services	173	800	716	84	-		(800)	(100.0%)
AGM	-	500	201	299	500		-	0.0%
Memberships - Provincial BIA	-	350	365	(15)	225		(125)	(35.7%)
<b>Total Member Services</b>	<b>173</b>	<b>1,650</b>	<b>1,282</b>	<b>368</b>	<b>725</b>	<b>1%</b>	<b>(925)</b>	<b>(56.1%)</b>
<b>Total Hamilton Road BIA Expenditure</b>	<b>11,310</b>	<b>140,525</b>	<b>95,588</b>	<b>44,937</b>	<b>123,525</b>	<b>100%</b>	<b>(17,000)</b>	<b>(12.1%)</b>
Net Surplus / (Deficit)	(11,310)	-	44,310	44,310	-			
Prior Year Net Surplus/ (Deficit)	-	-	(11,310)	(11,310)				
Net 2019 Surplus	-	-	33,000	33,000				
Draw from/ (Contribution to) Operating Fund	11,310	-	(33,000)	(33,000)	-			
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			

All figures subject to audit.

All figures subject to rounding.

\* 2018 figures will be audited as part of 2019 year-end audit.

Bill No.  
2020

By-law No.

A by-law to raise the amount required for the purposes of the Hamilton Road Business Improvement Area Board of Management for the year 2020 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-laws 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-1528-486, as amended, provides for an improvement area to be known as the Hamilton Road Business Improvement Area and establishes a Board of Management for it known as the Hamilton Road 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 2020 fiscal year submitted by the Hamilton Road Business Improvement Area Board of Management attached as Schedule "A" is approved.
2. The amount to be raised by the Corporation for the 2020 fiscal year for the purposes of the Hamilton Road Business Improvement Area Board of Management and pursuant to subsection 208(1) of the *Municipal Act, 2001* is \$70,000.
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-1528-486, 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 – January 28, 2020  
Second Reading – January 28, 2020  
Third Reading – January 28, 2020