

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON JANUARY 20, 2020
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	HYDE PARK BUSINESS IMPROVEMENT AREA 2020 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 2020 budget submission in the amount of \$396,981 **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 Hyde Park Business Improvement Area and pursuant to subsection 208(1) of the Municipal Act, 2001 **BE FIXED** at \$386,401;
- 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 (Schedule “B”) with respect to Municipal Special Levy for the Hyde Park Business Improvement Area **BE INTRODUCED** at the Municipal Council meeting on January 28, 2020.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Corporate Services Committee, March 19, 2019, Agenda item 2.13, Hyde Park Business Association 2019 Proposed Budget – Municipal Special Levy
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=59979>

LINK TO STRATEGIC PLAN

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.

BACKGROUND

On October 17, 2019, the Board of Management of the Hyde Park Business Improvement Area (HPBIA) approved the 2020 budget (Schedule “A”) which was presented to the members at the Annual General Meeting on November 28, 2019.

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 HPBIA has met this requirement in Schedule “A”, noting the 2020 expenditure budget of \$396,981.

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

- a) The HPBIA submitted a 2020 budget of \$396,981, which represents an increase of \$35,781 (9.9%) compared to its 2019 budget of \$361,200.
- b) Revenue is higher in 2020 after a \$43,901 (12.8%) levy increase for a total levy of \$386,401, less a net decrease of \$8,120 (-43.4%) in other revenues. The levy increase is a result of new businesses establishing within HPBIA's boundaries.
- c) Significant changes to expenditures in 2020 include:
 - i. Salary and Wages - increased due to the addition of one new part-time staff position and annual salary and wage rate increases.
 - ii. Office Equipment Upgrades - increased due to required technology upgrades.
 - iii. Traffic Calming Program - a decrease in the 2020 budget because the 2019 budget included a one-time cost to purchase a second speed radar, (note that the Board decided not to purchase this second unit, creating a surplus in the 2019 budget).
 - iv. Bus Shelter Advertising Program - this is a new member advertising program only available to BIA members.
 - v. Community Beautification Projects - expense has increased to extend the scope of beautification within the BIA's boundaries.

At the time of submitting this report, audited 2019 financial statements were unavailable. Estimates received from HPBIA indicate a projected 2019 year-end surplus of \$13,404. The unaudited projected December 31, 2019 Operating Fund balance is approximately \$54,953.

The owners of business property within the BIA will be responsible for payment of \$386,401 to be raised by the Corporation for the 2020 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 50% of the budgeted Municipal Special Levy, with the remaining 50% to be paid on or after June 30th.

PREPARED BY:	REVIEWED BY:
ZEINA NSAIR, CPA, CGA MANAGER, FINANCIAL MODELLING, FORECASTING AND SYSTEMS CONTROL	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
2020 Proposed Budget
with 2019 Comparators

Revenue Overview

Revenue Detail:	2018 Audited	2019 Approved 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	325,900	342,500	342,500	-	386,401		43,901	12.8%
Net Municipal Special Levy	325,900	342,500	342,500	-	386,401	100.0%	43,901	12.8%
Draw from Accumulated Surplus	-	10,000	10,000	-	-		(10,000)	-100.0%
Government Student Funding	3,788	3,700	5,040	1,340	7,080		3,380	91.4%
Miscellaneous	359	5,000	120	(4,880)	3,500		(1,500)	-30.0%
Total Revenue	330,047	361,200	357,660	(3,540)	396,981	100.0%	35,781	9.9%

Expenditure Overview

Expenditure Detail:	2018 Audited	2019 Approved Budget	2019 Projected Actuals	2019 Projected Surplus (Deficit)	2020 Proposed Budget	% of Total Exp	Increase / (Decrease) over 2019	Increase / (Decrease) over 2019
ADMINISTRATION								
Salary & Wages	92,755	115,265	115,265	-	133,941		18,676	16.2%
Summer Student	3,718	3,700	5,820	(2,120)	7,080		3,380	91.4%
Insurance	2,814	2,700	2,825	(125)	2,825		125	4.6%
Bookkeeping, Audit, Professional Fees	6,344	9,500	5,000	4,500	6,500		(3,000)	-31.6%
Total Administration	105,631	131,165	128,910	2,255	150,346	37.9%	19,181	14.6%
OFFICE								
Office Signage	613	-	-	-	-		-	0.0%
Office Equipment Upgrades	-	-	-	-	11,000		11,000	0.0%
Office Furniture	1,708	2,500	5,000	(2,500)	1,000		(1,500)	-60.0%
Leasehold Improvements	-	3,500	4,430	(930)	5,000		1,500	42.9%
Total Office	2,321	6,000	9,430	(3,430)	17,000	4.3%	11,000	183.3%
RENT								
Office Rent	20,820	24,232	24,232	-	22,799		(1,433)	-5.9%
Total Rent	20,820	24,232	24,232	-	22,799	5.7%	(1,433)	-5.9%
GENERAL EXPENSES								
Phone, Internet, Office 365	1,908	2,186	2,186	-	2,626		440	20.1%
Stationary / Supplies	3,459	4,000	4,000	-	4,000		-	0.0%
Training / Conferences	3,093	4,000	4,197	(197)	6,000		2,000	50.0%
Subscriptions / Memberships	707	800	559	241	800		-	0.0%
Bank Charges	366	250	398	(148)	350		100	40.0%
Operating	-	1,500	1,500	-	1,500		-	0.0%
Miscellaneous Expense	2,457	-	-	-	-		-	0.0%
Total General Expenses	11,990	12,736	12,840	(104)	15,276	3.8%	2,540	19.9%
MEMBER SERVICES								
AGM including Postage	3,503	8,000	6,000	2,000	8,000		-	0.0%
Member365	2,788	1,800	-	1,800	-		(1,800)	-100.0%
Total Member Services	6,291	9,800	6,000	3,800	8,000	2.0%	(1,800)	-18.4%
BUSINESS DEVELOPMENT								
Communications & Marketing	9,183	6,000	6,000	-	6,000		-	0.0%
Promotional Marketing Materials	3,046	3,000	3,000	-	3,000		-	0.0%
Website Dev, Hosting & Maintenance	1,248	1,500	2,500	(1,000)	1,500		-	0.0%
Brd Meetings / Monthly Business Networking Meetings	633	2,500	250	2,250	2,500		-	0.0%
Special Events / Sponsorships	6,699	10,000	10,000	-	10,000		-	0.0%
Other Program Initiatives	5,000	4,800	5,993	(1,193)	5,660		860	17.9%
Pondfest /Outdoor Piano Program	7,401	15,000	16,177	(1,177)	18,000		3,000	20.0%
Traffic Calming Program	5,484	8,500	400	8,100	400		(8,100)	-95.3%
Hyde Park Dollars Incentive Program	459	10,000	592	9,408	8,079		(1,921)	-19.2%
CTV Ad Package	11,647	28,000	32,543	(4,543)	31,000		3,000	10.7%
Bus Shelter Advertising Program	-	-	3,000	(3,000)	9,000		9,000	0.0%
Community Beautification Projects	46,974	74,467	74,467	-	80,000		5,533	7.4%
Total Business Development	97,774	163,767	154,923	8,845	175,139	44.1%	11,372	6.9%
HST	-	7,500	2,421	5,079	2,421	0.6%	(5,079)	-67.7%
Contingency	511	6,000	5,500	500	6,000	1.5%	-	0.0%
Loss on transfer of net Liabilities	14,259	-	-	-	-	0.0%	-	0.0%
Total Hyde Park Expenditure	259,597	361,200	344,256	16,945	396,981	100.0%	35,781	9.9%
Net Surplus / (Deficit)	70,450	-	13,404	13,404	-			
Draw from/(Contribution to) Operating Fund	(70,450)	-	(13,404)	(13,404)	-			
Net	-	-	-	-	-			

All figures subject to audit.

All figures subject to rounding.

Schedule “B”

Bill No.
2020

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 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-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 2020 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 2020 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 \$386,401.
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 – January 28, 2020
Second Reading – January 28, 2020
Third Reading – January 28, 2020