

<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>OLD EAST VILLAGE 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 Old East Village Business Improvement Area:

- a. The Old East Village Business Improvement Area proposed 2020 budget submission in the amount of \$213,700 **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 Old East Village Business Improvement Area and pursuant to subsection 208(1) of the Municipal Act, 2001 **BE FIXED** at \$42,000;
- 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 (Schedule “B”) with respect to Municipal Special Levy for the Old East Village 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 2.14, Old East Village Business Improvement Area 2019 Proposed Budget – Municipal Special Levy  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=59980>

<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 18, 2019, the Board of Management of the Old East Village Business Improvement Area (OEV BIA) approved the 2020 budget (Schedule “A”), which was also presented to the members on October 30, 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 OEV BIA has met this requirement in Schedule “A”, noting the 2020 total expenditure budget of \$213,700.

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

- a) The OEV BIA submitted a 2020 budget of \$213,700 which represents an increase of \$8,509 (4.1%) compared to its 2019 budget of \$205,191.

- b) Revenue includes the Municipal Special Levy of \$42,000 less a \$2,000 allowance for levy rebates, plus City of London Funding of \$141,102. Total revenue increased by \$8,509 (4.1%) due to an increase in the Draw from Operating Fund which will be used to cover the costs of planned projects in 2020.
- c) Significant changes to expenditures in 2020 include:
  - i. Purchased Services – an increase to cover the costs of contracting out bookkeeping services;
  - ii. Salaries and Benefits – an overall increase of \$5,239 (3.9%) as a result of organizational restructuring, after netting the decrease in “Administration” salaries with the increase in “Business Development” salaries.

At the time of submitting this report, audited 2019 financial statements were unavailable. Estimates received from the OEV BIA indicated that there is a projected 2019 year-end surplus of \$33,498. The unaudited December 31, 2019 reserve fund balance is \$8,300 and the unaudited projected balance in the Operating Fund is \$125,000.

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 2020 fiscal year for the purposes of OEV BIA and pursuant to subsection 208(1) of the Municipal Act, 2001. Upon Council approval, the City of London will pay the OEV BIA 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"

Old East Village Business Improvement Area  
2020 Proposed Budget  
with 2019 Comparators

Revenue Overview

OEVBIA Revenue Detail:	2018 Audited	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	15,781	42,000	42,000	-	42,000		-	0.0%
Less: Allowance for Levy Rebates	(1,000)	(2,000)	(1,600)	400	(2,000)		-	0.0%
<b>Net Municipal Special Levy</b>	<b>14,781</b>	<b>40,000</b>	<b>40,400</b>	<b>400</b>	<b>40,000</b>		-	<b>0.0%</b>
Interest Revenue	-	66	61	(5)	65		(1)	(1.5%)
City of London Funding	141,102	141,102	141,102	-	141,102		-	0.0%
Draw from Operating Fund		24,023		(24,023)	32,533		8,510	35.4%
Reserve Fund Drawdown	-			-			-	0.0%
Miscellaneous	417			-			-	0.0%
<b>Total OEVBIA Revenue</b>	<b>156,300</b>	<b>205,191</b>	<b>181,563</b>	<b>(23,628)</b>	<b>213,700</b>	<b>100%</b>	<b>8,509</b>	<b>4.1%</b>

Expenditure Overview

OEVBIA Expenditure Detail:	2018 Audited	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>								
Telephone	1,169	1,500	1,200	300	1,500		-	0.0%
Travel	550	700	675	25	700		-	0.0%
Operating Supplies and Costs	561	1,000	350	650	1,000		-	0.0%
Printing and Communications	781	1,500	420	1,080	1,500		-	0.0%
Equipment / Building Allowance for Upgrades, Maintenance and Repairs	50	5,500	2,200	3,300	4,500		(1,000)	(18.2%)
Salary & Benefits	19,230	23,420	3,500	19,920	2,000		(21,420)	(91.5%)
Financial Audits	1,300	1,469	1,420	49	1,600		131	8.9%
Training, Education and Development	161	500	500	-	500		-	0.0%
Misc Administration	6,874	7,000	4,450	2,550	5,500		(1,500)	(21.4%)
<b>Total Administration</b>	<b>30,676</b>	<b>42,589</b>	<b>14,715</b>	<b>27,874</b>	<b>18,800</b>	<b>8.8%</b>	<b>(23,789)</b>	<b>(55.9%)</b>
<b>RENT</b>								
Office Rental	12,661	14,461	12,660	1,801	14,400		(61)	(0.4%)
<b>Total Rent</b>	<b>12,661</b>	<b>14,461</b>	<b>12,660</b>	<b>1,801</b>	<b>14,400</b>	<b>6.7%</b>	<b>(61)</b>	<b>(0.4%)</b>
<b>BUSINESS DEVELOPMENT / MEMBER SERVICES</b>								
Advertising, Marketing and Promotion	3,925	6,500	5,500	1,000	6,500		-	0.0%
Purchased Services	2,688	13,300	10,800	2,500	19,000		5,700	42.9%
Salary & Benefits	96,543	111,341	95,430	15,911	138,000		26,659	23.9%
Special Projects	1,820	6,500	3,300	3,200	6,500		-	0.0%
Beautification	1,697	5,000	3,450	1,550	5,000		-	0.0%
Community Initiatives	3,804	5,500	5,300	200	5,500		-	0.0%
<b>Total Business Development / Member Services</b>	<b>110,477</b>	<b>148,141</b>	<b>123,780</b>	<b>24,361</b>	<b>180,500</b>	<b>84.5%</b>	<b>32,359</b>	<b>21.8%</b>
HST Expense	508		550	(550)	-		-	0.0%
<b>Total Other</b>	<b>508</b>	<b>-</b>	<b>550</b>	<b>(550)</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>
<b>Total OEVBIA Expenditures</b>	<b>154,322</b>	<b>205,191</b>	<b>151,705</b>	<b>53,486</b>	<b>213,700</b>	<b>100.0%</b>	<b>8,509</b>	<b>4.1%</b>
<b>Net Surplus / (Deficit)</b>	<b>1,978</b>	<b>-</b>	<b>29,858</b>	<b>29,858</b>	<b>-</b>			
<b>Draw from/(Contribution to) Operating Fund</b>	<b>(1,978)</b>	<b>-</b>	<b>(29,858)</b>	<b>(29,858)</b>	<b>-</b>			
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			

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 Old East Village 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-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 2020 fiscal year submitted by the Old East Village 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 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 – January 28, 2020  
Second Reading – January 28, 2020  
Third Reading – January 28, 2020