

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:	ARGYLE 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 Argyle Business Improvement Area:

- a. The Argyle Business Improvement Area proposed 2020 budget submission in the amount of \$284,100 **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 Argyle Business Improvement Area and pursuant to subsection 208(1) of the Municipal Act, 2001 **BE FIXED** at \$215,000;
- c. A special charge **BE ESTABLISHED** for the amount referred to in part b, above, by a levy in accordance with By-law A.-6873-292 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 Argyle 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 2.11, Argyle Business Improvement Area 2019 Proposed Budget – Municipal Special Levy
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=59977>

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 December 20, 2019, the Board of Management of the Argyle Business Improvement Area (ABIA) approved the 2020 budget (Schedule “A”) which was presented to the members at the Annual General Meeting on November 21, 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 ABIA has met this requirement in Schedule “A”, noting the 2020 total expenditure budget of \$284,100.

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

- a) The ABIA submitted a 2020 budget of \$284,100, which represents an increase of \$24,598 (9.5%) compared to its 2019 budget of \$259,502. The increase in revenue is a result of an increase in the Draw from Operating Fund which will be used to cover the costs of some of the planned projects in 2020.

b) Significant changes to expenditures in 2020 include:

- i. Special Events - in 2019, separate amounts were budgeted for the annual summer event held for the BIA members and the community and the annual general meeting that is held at the end of each year. These expenses are both budgeted under Special Events for 2020.
- ii. Marketing and Consulting - increased budget as more marketing will be required due to significant construction expected to take place in 2020.
- iii. Long-term Initiatives - a significant amount is budgeted for long-term initiatives to cover the costs of some of the following planned projects:
 - Kiwanis Park Beautification
 - New banners
 - New holiday décor
 - Additional benches and bike ring facilities
 - Clean Streets Program

At the time of submitting this report, the audited 2019 financial statements were unavailable. Estimates received from the ABIA indicated that there was a projected year-end surplus of \$65,031 in 2019. The unaudited projected December 31, 2019 Operating Fund balance is approximately \$100,000.

The owners of business property within the BIA will be responsible for payment of \$215,000 to be raised by the Corporation for the 2020 fiscal year for the purposes of ABIA and pursuant to subsection 208(1) of the Municipal Act, 2001. Upon Council approval, the City of London will pay ABIA 50% of the budgeted Municipal Special Levy amount, 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"

Argyle Business Improvement Area
2020 Proposed Budget
with 2019 Comparators

Revenue Overview

Argyle BIA 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	186,720	215,000	215,000	-	215,000		-	0.0%
Net Municipal Special Levy	186,720	215,000	215,000	-	215,000		-	0.0%
Interest Revenue	-	100	145	45	100		-	0.0%
Draw from Operating Fund	-	25,402	37,993	12,591	50,000		24,598	96.8%
Government Student Funding	10,004	10,000	12,300	2,300	10,000		-	0.0%
Miscellaneous	22,841	4,000	2,560	(1,440)	4,000		-	0.0%
HST Rebate	-	5,000	5,000	-	5,000		-	0.0%
Total Argyle BIA Revenue	219,565	259,502	272,998	13,496	284,100	100%	24,598	9.5%

Expenditure Overview

Argyle BIA Expenditure Detail:	2018 Audited	2019 Approved Budget	2019 Projected Actuals	2019 Projected Surplus (Deficit)	2020 Proposed Budget	% of Total Exp	Increase / (Decrease) over 2019	% Budget Change over 2019
ADMINISTRATION								
Salaries and Wages	96,672	\$ 80,000	74,000	6,000	\$ 80,000		-	0%
Student Wages and Benefits	-	\$ 10,000	12,267	(2,267)	\$ 10,000		-	0%
El and CPP	-	\$ 4,000	5,800	(1,800)	\$ 6,000		2,000	50%
Bookkeeping, Audit and Professional Fees	6,476	\$ 9,000	7,040	1,960	\$ 9,000		-	0%
Utilities	1,561	\$ 2,000	1,900	100	\$ 2,000		-	0%
Telephone and Fax and Internet	1,129	\$ 2,000	960	1,040	\$ 1,500		(500)	-25%
Insurance	1,657	\$ 2,000	1,400	600	\$ 2,000		-	0%
Repairs and Maintenance	495	\$ 4,000	4,000	-	\$ 4,000		-	0%
Furniture	3,596	-	-	-	-		-	0%
Travel and Transportation	-	\$ 500	120	380	\$ 200		(300)	-60%
Bank Charges	-	\$ 120	-	120	\$ 100		(20)	-17%
Memberships - Provincial BIA	442	\$ 400	-	400	\$ 500		100	25%
Office Supplies	8,926	\$ 8,500	5,000	3,500	\$ 5,000		(3,500)	-41%
Postage and Courier	625	\$ 1,000	50	950	\$ 300		(700)	-70%
Signage/Banner Brackets	-	\$ 2,500	2,500	-	\$ 4,500		2,000	80%
Professional Development (Conference)	1,312	\$ 4,000	3,000	1,000	\$ 4,000		-	0%
Website Maintenance and Domain	-	\$ 1,000	205	795	\$ 1,000		-	0%
Total Administration	122,891	131,020	118,242	12,778	130,100	45.8%	(920)	-1%
RENT								
Office Rent	15,120	22,000	20,000	2,000	22,000		-	0%
Total Rent	15,120	22,000	20,000	2,000	22,000	7.7%	-	0%
MEMBER SERVICES								
Special Events	-	-	305	(305)	10,000		10,000	0%
Total Member Services	-	-	305	(305)	10,000	3.5%	10,000	0%
BUSINESS DEVELOPMENT								
Annual General Meeting	-	5,000	1,820	3,180	-		(5,000)	-100%
Summer Event	-	5,000	-	5,000	-		(5,000)	-100%
Marketing and Consulting	5,273	13,180	10,000	3,180	25,000		11,820	90%
Other Program Initiatives/ Santa Clause Parade	24,740	30,000	30,000	-	30,000		-	0%
Planters/Hanging Basket Program	11,458	20,000	19,600	400	20,000		-	0%
Total Business Development	41,471	73,180	61,420	11,760	75,000	26.4%	1,820	2%
HST	-	2,000	2,000	-	2,000		-	0%
Tax Write Offs/ Business Appeals	-	10,000	-	10,000	10,000		-	0%
Long-term Initiatives	-	21,302	6,000	15,302	35,000		13,698	64%
Total Other	-	33,302	8,000	25,302	47,000	16.5%	13,698	41%
Total Argyle BIA Expenditure	179,482	259,502	207,967	51,535	284,100	100.0%	24,598	9.5%
Net Surplus / (Deficit)	40,083	-	65,031	65,031	-			
Draw from/(Contribution to) Operating Fund	(40,083)	-	(65,031)	(65,031)	-			
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 Argyle 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 A.-6873-292, as amended, provides for an improvement area to be known as the Argyle Business Improvement Area and establishes a Board of Management for it known as the Argyle 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 Argyle 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 Argyle Business Improvement Area Board of Management and pursuant to subsection 208(1) of the *Municipal Act, 2001* is \$215,000.
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 A.-6873-292, 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