

TO:	CORPORATE SERVICES COMMITTEE MEETING ON APRIL 9, 2013
FROM:	MIKE TURNER DEPUTY CITY TREASURER
SUBJECT:	ARGYLE BUSINESS IMPROVEMENT AREA 2013 PROPOSED BUDGET – MUNICIPAL SPECIAL LEVY

RECOMMENDATION

It is recommended:

- a) That the Argyle Business Improvement Area Budget of \$180,665 **BE RECEIVED** as outlined in Schedule A and that:
 - i. the \$130,665 portion of the \$180,665 budget submission which represent the exclusion of a \$50,000 grant request by the Argyle Business Improvement Area for the purposes of sweepers/cleaners, an anti-graffiti mural program, façade and beautification, consulting, banners, BIA District welcome signage and security measures such as street cameras, safety and policing, monitoring and business watch **BE APPROVED**;
 - ii. The \$50,000 municipal grant request **BE DIRECTED** to the Managing Director, Planning and City Planner, in consultation with the Finance Division, for a report back that includes a business case analysis to be prepared by the Argyle Business Improvement Area pertaining to the grant request initiated by the Argyle Business Improvement Area, it being noted that the requested \$50,000 grant could be incorporated into the Argyle Business Improvement Area's levy, and it being further noted that the \$50,000 grant request was received by Civic Administration in February, 2013 and was not approved as part of the recent 2013 Corporate Budget deliberations;
- b) That the amount to be raised by The Corporation of the City of London for the 2013 fiscal year for the purposes of the Argyle Business Improvement Area, pursuant to subsection 208(1) of the *Municipal Act, 2001*, **BE FIXED** at \$110,480 as outlined in the attached Schedule A;
- 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 any special charge shall have priority lien status and shall be added to the tax roll pursuant to subsection 208(7) of the *Municipal Act, 2000*;
- d) That the attached proposed by-law (Schedule B) **BE INTRODUCED** at the Municipal Council meeting to be held on April 16, 2013 for the purpose of implementing the municipal special levy for the Argyle Business Improvement Area; and
- e) That the Argyle Business Improvement Area **BE REQUESTED** to report back on the outstanding conditions associated with the grant provided by the City of London in 2012 prior to any further grant request considerations.

BACKGROUND

On May 9, 2011, the Municipal Council resolved that the "...one-time start-up funding request [from the Argyle Business Association] for \$50,000 **BE FUNDED** from the Operating Budget Contingency Reserve; it being noted that this one-time funding will be used by the Argyle Business Association in their efforts to establish a formal, self-sustaining Business Improvement Area in 2012."

On June 26, 2012, the Municipal Council approved a grant agreement between the City and the Argyle Business Improvement Association in the amount of \$55,240. As part of the grant agreement, the following conditions were required:

1. Mid Year Report – due six months after Funded Activity Start Date; to include:
 - Outcome Reporting – mid-year report highlighting first 6 months outcomes.
 - Financial Reporting – Mid-year financial monitoring includes a 6 month revenue and expenditure statement; to be signed by the Recipient Board Chair and a designated accountant (CA/CMA/CGA).

2. Annual Report - due 31 days after Funded Activity End Date; to include:
 - Outcome Reporting – yearly activity plan, and highlighting full year's outcomes.
 - Financial Reporting – year-end financial monitoring includes a final revenue and expenditure statement; to be signed by the Recipient Board Chair and a Chartered Accountant, Certified Management Accountant, or Certified General Accountant ("CA/CMA/CGA").

3. Audited Financial Statement – due within 120 days of the end of the Term;
 - to be signed by authorized Recipient Board member and auditor.

The funding activity start date and end date, as noted in the funding agreement, was July 1, 2012 and December 31, 2012, respectively. It should be noted, the conditions have not been met with regards to conditions 1 and 2, while condition 3 is pending.

On October 9, 2012, Municipal Council enacted a by-law to establish the board of management for the purpose of managing the Argyle Business Improvement Area in accordance with section 204 of the *Municipal Act, 2001*.

Under subsection 205(2) of the *Municipal Act, 2001*, a business improvement area must submit an annual budget to Council that the Council may approve in whole or in part but may not add expenditures to. The budget submission by the Argyle Business Improvement Area incorporates a further grant from the City of London in the amount of \$50,000 for the purposes of sweepers/cleaners, an anti-graffiti mural program, façade and beautification, consulting, banners, BIA District welcome signage and security measures such as street cameras, safety and policing, monitoring and business watch. The Council approved process for such requests is for the party requesting a grant to make application for same through the submission of a supporting business case well in advance of the tabling of the tax-supported Budget so that the Municipal Council can consider the request during its Budget deliberations. As this request is outside the usual process, the Civic Administration is recommending that the grant request be deferred until a business case is submitted to Civic Administration and that all conditions have been met with regards to the grant provided by the City in 2012.

With respect to the balance of the funding incorporated into the Argyle Business Improvement Areas Budget submission, owners of business property within the business improvement area will be responsible for payment of the municipal levy to the City of London. The City of London will, in turn, pay the Argyle Business Improvement Area on a quarterly basis based on the estimated special levy amount of \$110,480.

This report was prepared with the assistance of Cathy Cucksey, Current Budget & Process Officer.

PREPARED BY:	REVIEWED BY:
JASON SENESE MANAGER - FINANCIAL PLANNING AND POLICY	LARRY PALARCHIO DIRECTOR - FINANCIAL PLANNING AND POLICY
RECOMMENDED BY:	
MIKE TURNER DEPUTY CITY TREASURER	

Cc: Martin Hayward – City Treasurer, Chief Financial Officer
 J. Logan, Division Manager – Revenue & Tax Collector
 John Fleming – Managing Director, Planning and City Planner
 Gregg Barrett – Manager, Land Use Planning Policy
 Laurie Green – Financial Business Administrator

Schedule A

Revenue Overview

Argyle Revenue Detail:	2013 Proposed Budget	%
Ley	\$110,480	61.2%
City of London Walk to Shop	\$10,000	5.5%
HST Receivable	\$5,815	3.2%
Private Donations	\$500	0.3%
Sublease	\$2,520	1.4%
Internet Sharing	\$300	0.2%
Business Share Walk to Shop	\$1,050	0.6%
Miscellaneous	\$0	0.0%
Subtotal	\$130,665	72.3%
Grant Funds -1	\$50,000	27.7%
Total Argyle Revenue Budget	\$ 180,665	100.0%

Expenditure Overview

Argyle Expenditure Detail:	2013 Proposed Budget	%
Wages and Service	\$36,500	20.2%
Bookkeeping and professional fees	\$5,000	2.8%
Office Rent	\$9,600	5.3%
Telephone and Fax	\$480	0.3%
Internet Service	\$600	0.3%
Office Equipment	\$1,000	0.6%
Website Maintenance	\$1,200	0.7%
Postage and Courier	\$500	0.3%
Signage	\$350	0.2%
Insurance	\$2,000	1.1%
Conference	\$1,000	0.6%
Advertising	\$1,500	0.8%
Printing	\$1,200	0.7%
Audit Costs	\$350	0.2%
Travel and Transportation	\$300	0.2%
Bank Charges	\$120	0.1%
Memberships - Provincial BIA	\$150	0.1%
Website Domain	\$100	0.1%
Flyers and Brochures	\$1,000	0.6%
Quarterly Newsletter	\$1,200	0.7%
Professional Development	\$1,000	0.6%
HST	\$5,815	3.2%
Office Supplies	\$1,200	0.7%
Walk to Shop Directory	\$10,000	5.5%
Events	\$12,000	6.6%
Other BIA Initiatives	\$12,000	6.6%
Marketing/Consulting	\$24,500	13.6%
Subtotal	\$130,665	72.3%
Improvement of Public Area - 2	\$50,000	27.7%
Total Argyle Expenditure Budget	\$ 180,665	100.0%
Net	\$0	0.0%

All figures subject to audit.

Notes:

1- City Grant funds subject to approval by City of London.

2- Improvement of Public Area - Sweepers cleaners, anti-graffiti mural program, façade and beautification, consulting, street cameras, safety and policing, monitoring, business watch, banners, and BIA district welcome signs. Subject to grant approval.

Schedule B

Bill No.
2013

By-law No.

A by-law to raise the amount required for the purposes of the Argyle Business Association Improvement Area Board of Management for the year 2013 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 A.-6873-292 as amended, provides for an improvement area to be known as the Argyle Business Improvement Area and to establish 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 Council shall annually raise the amount required for the purposes of The Argyle Business Improvement Area Board of Management;

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 2013 fiscal year submitted by The Argyle Business Improvement Area Board of Management in the amount of \$130,665 attached as Schedule "A", which includes a City of London Levy in the amount of \$110,480, is approved.
2. The amount to be raised by the Corporation for the 2013 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 \$110,480.
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 on the day it is passed.

Joe Fontana
Mayor

Saunders, Cathy
City Clerk