

## Report to Corporate Services Committee

**To:** Chair and Members  
Corporate Services Committee

**From:** Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

**Subject:** Hyde Park Business Improvement Area 2023 Proposed Budget – Municipal Special Levy

**Date:** January 9, 2023

## Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken with respect to the Hyde Park Business Improvement Area:

- a. The Hyde Park Business Improvement Area proposed 2023 budget submission in the amount of \$780,000 **BE APPROVED** as outlined in Schedule “A”;
- b. The amount to be raised by The Corporation of the City of London for the 2023 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 \$530,000.
- c. A special charge **BE ESTABLISHED** for the amount referred to in part b, above, by a levy in accordance with By-law CP-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 “C”) with respect to Municipal Special Levy for the Hyde Park Business Improvement Area **BE INTRODUCED** at the Municipal Council meeting on January 24, 2023.

## Linkage to the Corporate Strategic Plan

Council’s 2019 to 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 (BIA’s) of London and continuing to build strong working relationships with such community partners. In line with these areas of focus, the City provides guidance to the BIA’s in regard 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 BIA members and thus promote continued growth in London’s economy.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

Corporate Services Committee, January 10, 2022, Agenda item 2.4, Hyde Park Business Association 2022 Proposed Budget – Municipal Special Levy. The report can be found on the City’s website by visiting:

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=88891>

#### 1.2 What is a “Business Improvement Area”?

The Province defines a Business Improvement Area (BIA) as an “innovation that allows local business people and commercial property owners and tenants to join together and, with the support of the municipality, to organize, finance, and carry out physical improvements and promote economic development in their district. Traditionally, a BIA is a body established by a municipality using the specific business improvement area provisions in the Municipal Act, 2001. It is governed by a board of management. Once a traditional BIA is approved by municipal council, businesses within its

boundaries become members and pay the BIA levy along with their property taxes.” Further information regarding the functions, activities and benefits of BIA’s can be found here: <https://www.ontario.ca/document/business-improvement-area-handbook/introduction-business-improvement-areas>

## 2.0 Financial Impact/Considerations

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 Hyde Park Business Improvement Area has met this requirement in Schedule “A”, noting the 2023 expenditure budget of \$780,000.

On September 15, 2022, the Board of Management of the Hyde Park Business Improvement Area (HPBIA) approved the 2023 budget (Schedule “A”) which was presented to the members at the Annual General Meeting on November 9, 2022.

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

- a) The HPBIA submitted a 2023 budget of \$780,000, which represents an increase of \$226,190 (40.8%) compared to its 2022 budget of \$553,810. The total increase in revenue is a result of the following:
  - i. A \$46,000 (9.5%) increase in Municipal Special Levy to cover overall increased costs.
  - ii. \$174,000 is budgeted as a Draw from Operating Fund which represents an increase of \$153,190 from the 2022 budget. This draw will support additional initiatives outlined by the HPBIA in 2023. The projected 2023 balance in the Operating Fund after this draw will be \$168,293.
  - iii. \$60,000 is budgeted for miscellaneous income and includes items such as The Reconnect Grant and CTV & Bus Shelter Programs, representing an increase of \$20,000.
- b) Significant changes to expenditures in 2023 include:
  - i. Wages, MERCS and Benefits – an increase of \$48,563 is budgeted to support salary increases, bonuses, mandatory employee related costs, and to hire an additional part time staff.
  - ii. Leasehold Improvements - \$20,000 is being budgeted to support expansion of the existing board room to increase functionality.
  - iii. Office Furniture - \$10,000 is being budgeted for new board room table and chairs to accommodate increased size of new board room.
  - iv. 1645 Hyde Park Road Lease – this item has been removed from the budget as the space is not used consistently enough to support a full-time lease.
  - v. Pondfest / Outdoor Piano Program – an increase of \$22,000 due to an increased focus on outdoor music events, additional costs arising from hiring professional staff to run these larger scale events.
  - vi. Breakfast with Santa / Christmas Market – an increase of \$36,000 due to expansion of the Christmas Market which requires additional resources.
  - vii. Digital Sign - an increase of \$36,000 due to receiving an updated quote for this work. If the BIA is unable to install the sign at the Hyde Park Village Green they will pursue utilizing a private property for sign placement.
  - viii. Community Beautification Projects – an increase of \$40,000 is budgeted as many of these initiatives were not completed in 2022 due to supply issues and therefore are budgeted to be completed in 2023.

At the time of submitting this report, audited 2022 financial statements were unavailable. Estimates received from HPBIA indicate a projected 2022 year-end surplus of \$120,870. The unaudited projected December 31, 2022 Operating Fund balance is approximately \$342,293. The year-end fund balance is presented in Schedule “B.”

## **Conclusion**

The owners of business property within the BIA will be responsible for payment of \$530,000 to be raised by the Corporation for the 2023 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 30<sup>th</sup>.

**Prepared by:** Dylan Dubois, CPA, Financial Business Administrator  
Alan Dunbar, CPA, CGA, Manager, Financial Planning and Policy

**Submitted by:** Kyle Murray, CPA, CA, Director, Financial Planning and Business Support

**Recommended by:** Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

## Schedule "A"

### Hyde Park Business Improvement Area 2023 Proposed Budget with 2022 Comparators

#### Revenue Overview

Revenue Detail:	2021 Audited Actuals	2022 Approved Budget	2022 Projected Actuals	2022 Projected Variance	2023 Proposed Budget	Percentage of Total Revenue	Increase/ Decrease over 2022	Percentage Budget Change over 2022
Municipal Special Levy	438,604	484,000	484,000	0	530,000	67.9%	46,000	9.5%
Tax Write Offs/Allowance	0	0	0	0	0	0.0%	0	N/A
<b>Net Municipal Special Levy</b>	<b>438,604</b>	<b>484,000</b>	<b>484,000</b>	<b>0</b>	<b>530,000</b>	<b>67.9%</b>	<b>46,000</b>	<b>9.5%</b>
Draw from Operating Fund	0	20,810	0	-20,810	174,000	22.3%	153,190	736.1%
Canada Summer Jobs	21,240	9,000	18,059	9,059	16,000	2.1%	7,000	77.8%
Interest Income	0	0	0	0	0	0.0%	0	N/A
HST Rebate	0	0	22,000	22,000	0	0.0%	0	N/A
Miscellaneous Income	31,177	40,000	76,935	36,935	60,000	7.7%	20,000	50.0%
<b>Total Revenue</b>	<b>491,021</b>	<b>553,810</b>	<b>600,994</b>	<b>47,184</b>	<b>780,000</b>	<b>100.0%</b>	<b>226,190</b>	<b>40.8%</b>

## Expenditure Overview

Expenditure Detail:	2021 Audited Actuals	2022 Approved Budget	2022 Projected Actuals	2022 Projected Variance	2023 Proposed Budget	Percentage of Total Revenue	Increase/ Decrease over 2022	Percentage Budget Change over 2022
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Administration								
Wages, MERCS and Benefits	125,188	160,410	155,447	4,963	208,973	26.8%	48,563	30.3%
Canada Summer Jobs	19,746	9,000	17,055	-8,055	16,000	2.1%	7,000	77.8%
Insurance	2,935	3,200	3,018	182	3,400	0.4%	200	6.3%
Bookkeeping, Audit and Professional Fees	7,961	6,000	4,836	1,164	6,000	0.8%	0	N/A
Office Equipment Upgrades	566	2,500	1,015	1,485	2,500	0.3%	0	N/A
Office Furniture	0	0	0	0	10,000	1.3%	10,000	0.0%
Leasehold Improvements	0	0	0	0	20,000	2.6%	20,000	0.0%
Phone, Internet, Office 365	2,054	2,500	2,688	-188	2,500	0.3%	0	N/A
Office Supplies	3,959	4,000	2,781	1,219	4,000	0.5%	0	N/A
Training & Conferences	4,062	7,000	9,537	-2,537	10,000	1.3%	3,000	42.9%
Subscriptions & Memberships	1,423	1,500	900	600	1,500	0.2%	0	N/A
Bank Charges	803	650	1,122	-472	650	0.1%	0	N/A
Operating	2,777	2,000	3,403	-1,403	3,000	0.4%	1,000	50.0%
Employee Health Insurance	0	0	996	-996	1,500	0.2%	1,500	0.0%
Interest Expense	212	0	0	0	0	0.0%	0	N/A
Digital Mainstreet Program	14,476	0	0	0	0	0.0%	0	N/A
<b>Total Administration</b>	<b>186,160</b>	<b>198,760</b>	<b>202,798</b>	<b>-4,038</b>	<b>290,023</b>	<b>37.2%</b>	<b>91,263</b>	<b>45.9%</b>

Rent								
Rent	23,267	23,550	23,550	0	24,257	3.1%	707	3.0%
<b>Total Rent</b>	<b>23,267</b>	<b>23,550</b>	<b>23,550</b>	<b>0</b>	<b>24,257</b>	<b>3.1%</b>	<b>707</b>	<b>3.0%</b>

Expenditure Detail:	2021 Audited Actuals	2022 Approved Budget	2022 Projected Actuals	2022 Projected Variance	2023 Proposed Budget	Percentage of Total Revenue	Increase/ Decrease over 2022	Percentage Budget Change over 2022
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Member Services								
1645 Hyde Park Road Lease	0	22,800	1,050	21,750	0	0.0%	-22,800	-100.0%
Annual General Meeting	0	7,000	5,225	1,775	9,000	1.2%	2,000	28.6%
<b>Total Member Services</b>	<b>0</b>	<b>29,800</b>	<b>6,275</b>	<b>23,525</b>	<b>9,000</b>	<b>1.2%</b>	<b>-20,800</b>	<b>(69.8%)</b>

Business Development								
Communications, Marketing, Online Shop Program	7,537	6,500	21,776	-15,276	30,000	3.8%	23,500	361.5%
Promotional Marketing Materials	2,058	3,000	755	2,245	3,000	0.4%	0	N/A
Website Dev. Hosting & Maintenance	759	1,500	184	1,316	2,500	0.3%	1,000	66.7%
Board Meeting & Monthly Bus. Networking	1,458	2,000	1,500	500	2,000	0.3%	0	N/A
Special Events & Sponsorships	8,911	10,000	2,526	7,474	10,000	1.3%	0	N/A
Other Program Initiatives	16,951	5,500	14,292	-8,792	10,000	1.3%	4,500	81.8%
Social Media Marketing Subsidy Program	1,430	6,000	1,250	4,750	0	0.0%	-6,000	(100.0%)
PondFest / Outdoor Piano Program	0	20,000	35,015	-15,015	42,000	5.4%	22,000	110.0%
Breakfast with Santa / Christmas Market	34,215	19,000	24,324	-5,324	55,000	7.1%	36,000	189.5%
Traffic Calming Program	371	1,200	27	1,173	1,200	0.2%	0	N/A
Hyde Park Dollars Incentive Program	12,414	12,000	15,500	-3,500	15,000	1.9%	3,000	25.0%
HPBIA Loyalty Card Program	0	0	6,059	-6,059	1,500	0.2%	1,500	0.0%
CTV Ad Program	55,042	60,000	61,421	-1,421	69,390	8.9%	9,390	15.7%
Digital Sign	0	60,000	0	60,000	80,000	10.3%	20,000	33.3%
Bus Shelter Advertising Program	8,140	9,000	9,545	-545	9,700	1.2%	700	7.8%
Community Beautification Projects	49,327	80,000	51,143	28,858	120,000	15.4%	40,000	50.0%
<b>Total Business Development</b>	<b>198,615</b>	<b>295,700</b>	<b>245,317</b>	<b>50,384</b>	<b>451,290</b>	<b>57.9%</b>	<b>155,590</b>	<b>52.6%</b>

Expenditure Detail:	2021 Audited Actuals	2022 Approved Budget	2022 Projected Actuals	2022 Projected Variance	2023 Proposed Budget	Percentage of Total Revenue	Increase/ Decrease over 2022	Percentage Budget Change over 2022
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Other								
Harmonized Sales Tax	0	0	0	0	0	0.0%	0	N/A
Amortization	8,863	0	0	0	0	0.0%	0	N/A
COVID-19 Programs	10,821	0	0	0	0	0.0%	0	N/A
Contingency	3,025	6,000	2,185	3,815	5,430	0.7%	-570	(9.5%)
<b>Total Other</b>	<b>22,709</b>	<b>6,000</b>	<b>2,185</b>	<b>3,815</b>	<b>5,430</b>	<b>0.7%</b>	<b>-570</b>	<b>-9.5%</b>

<b>Total Expenditure</b>	<b>430,751</b>	<b>553,810</b>	<b>480,126</b>	<b>73,686</b>	<b>780,000</b>	<b>100.0%</b>	<b>226,190</b>	<b>40.8%</b>
<b>Net Surplus/ Deficit</b>	<b>60,270</b>	<b>0</b>	<b>120,870</b>	<b>120,870</b>	<b>0</b>			
<b>Draw from / (Contribution to) Operating Fund</b>	<b>-60,270</b>	<b>0</b>	<b>-120,870</b>	<b>-120,870</b>	<b>0</b>			
<b>Net</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			

All figures subject to audit.

All figures subject to rounding.

## Schedule "B"

### Operating Fund

Operating Fund Balance 2021 Audited	221,423
Draw from Operating Fund in 2022	0
2022 Projected Net Surplus	120,870
Operating Fund Balance 2022 Projected	342,293

All figures subject to audit.

All figures subject to rounding.

### Reserve Fund

Reserve Fund Balance 2021 Audited	0
Draw from Reserve Fund in 2022	0
2022 Contribution to Reserve Fund	0
Reserve Fund Balance 2022 Projected	0

All figures subject to audit.

All figures subject to rounding.



## Schedule “C”

Bill Number  
2023  
By-law Number

A by-law to raise the amount required for the purposes of the Hyde Park Business Improvement Area Board of Management for the year 2023 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 2023 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 2023 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 \$530,000.
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-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.

Josh Morgan, Mayor

Michael Schulthess, City Clerk

First Reading – January 24, 2023

Second Reading – January 24, 2023

Third Reading – January 24, 2023