
TO: GENERAL COMMITTEE

SUBJECT: 2024 DOWNTOWN BARRIE BUSINESS ASSOCIATION LEVY

WARD: 2

PREPARED BY AND KEY CONTACT: K. JYLHA, MANAGER OF TAXATION AND REVENUE
M. MIFSUD, MANAGER OF ACCOUNTING AND FINANCIAL REPORTING

SUBMITTED BY: C. SMITH, SENIOR MANAGER, ACCOUNTING AND REVENUE

GENERAL MANAGER APPROVAL: C. MILLAR, CHIEF FINANCIAL OFFICER AND TREASURER

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the City of Barrie (City) establish a special charge of 0.425211% for 2024 to levy an amount of \$726,434 upon commercial and industrial properties in the Downtown Improvement Area.
2. That the Downtown Barrie Business Improvement Area (BIA) 2024 Operating and Capital budgets be approved, as presented in Staff Report FIN002-24.
3. That the City Clerk be authorized to prepare the appropriate by-law authorizing this 2024 special charge rate and levy requirement.

PURPOSE & BACKGROUND

4. Under Section 205(2) of the *Municipal Act, 2001*, the Downtown Barrie Business Association (BIA) Board of Management shall submit the annual budget to Council by the date and in the form required by the municipality, and is required to seek Council approval of the budget in order that a levy for funds to cover their annual operating and capital costs can be made. Council may approve the budget submission in whole or in part, but may not add expenditures to it.
5. As per Section 205(3)(b) of the *Municipal Act, 2001*, the BIA shall not
 - a) spend any money unless it is included in the budget approved by the municipality or in a reserve fund;
 - b) incur any indebtedness extending beyond the current year without the prior approval of the municipality; or
 - c) borrow money.
6. As per Motion 22-G-109 arising from Staff Report CCS004-22, a by-law concerning the BIA governance was approved. Paragraph 41 of the by-law states that the BIA annual budget shall be approved by the Board and provided to Finance Services staff in the required format no later than the third Friday in January each year.

ANALYSIS

7. The BIA levy is a special charge upon taxable commercial and industrial properties in the “Downtown” area of Barrie as defined by previous by-laws.
8. The 2024 BIA budget’s proposed expenditures and use of funds (see Appendix “A”) are summarized as follows:

Operations	\$64,812
Payroll & Professional Development	\$298,732
Professional Fees	\$14,600
Beautification & Cleanliness	\$49,275
Culture and Heritage Events	\$57,605
Events	\$67,410
Marketing & Communication	\$69,000
Capital Commitments	<u>\$105,000</u>
Net Levy Required	<u>\$726,434</u>

9. In 2023 the net levy requirement was \$684,387 (see Appendix “A”).
10. The total taxable assessment for 2024 for the BIA is \$170,841,000.
11. The proposed special charge for 2024 is 0.425211% compared to the 2023 special charge of 0.391222%.
12. The BIA Board of Management has passed a motion to approve the 2024 budget (see Appendix “B”). In order to have the City’s final tax bills issued in June and meet legislated timelines, Council will need to approve the BIA budget by Wednesday, May 15th.

Other Revenues and Expenses and Budget Deficit

13. In order to ensure compliance with section 205 of the Municipal Act and to assist Council in making informed decisions, Council passed the following motion in 2023:

23-G-099 That for the 2024 budget and beyond, the BIA provide a full budget to the City that includes all expected revenues and expenses for the year.

The BIA Board has not provided 2024 budget amounts for other revenues such as grant revenues, special event revenues, and donations, nor the expenses to be incurred relating to the unbudgeted revenues. Unbudgeted government grants and special events revenue totalled \$280,972 in 2023 (under audit) (2022 - \$229,830), and unbudgeted fundraising and other revenues totalled \$179,741 in 2023 (under audit) (2022 - \$218,690).

14. The BIA ended the 2023 fiscal year with a deficit for budget purposes of \$211,043, funded largely by decreases in cash and outstanding accounts receivable balances (see Appendix “A”).

BIA Capital Commitments

15. The BIA, through their Contribution agreement with the City, committed to funding \$3,351,775 for the construction of the Meridian Place project. As of December 31, 2023, the BIA has contributed \$1,731,765 of the project and intends to fundraise an additional \$182,711 over a 2-year period.

16. The remaining portion of the Meridian Place project commitment, along with any fundraising shortfall remaining at the end of 2031, is to be paid over a twenty-year period which began in 2022. As per the agreement with the City, the BIA has included a payment in the amount of \$75,647 in their budget for 2024.
17. The BIA, through their Contribution agreement with the City, also committed to funding \$300,000 of the Dunlop Streetscape project with payments over a twenty-year period, which began in 2022. The BIA has included a payment in the amount of \$15,000 in their budget for 2024.
18. In addition to Meridian Place and Dunlop Streetscaping, the BIA has included in their budget, a \$5,000 contribution to the Sandbox Centre and \$9,353 labelled as other commitments for a total budget request of \$105,000.

Financial Statements

19. The audited financial statements for the BIA for the year ended December 31, 2022, are dated April 27, 2023 (see Appendix "C"). Audited financial statements for the 2023 fiscal year have not yet been finalized.

ENVIRONMENTAL AND CLIMATE CHANGE MATTERS

20. There are no environmental or climate change matters related to the recommendation.

ALTERNATIVES

21. There are two alternatives available for consideration by General Committee:

Alternative #1

General Committee could choose to approve only a portion of the budget to be included in the levy.

This alternative is not recommended as the budget submitted reflects the needs identified by the BIA for the Downtown Improvement Area.

Alternative #2

General Committee could choose not to approve the budget.

This alternative is not recommended as budget approval is required in order to apply the BIA levy on the final tax bills being mailed out in early June. A decision to delay budget approval could result in the City not meeting legislative billing timeline requirements.

FINANCIAL

22. There are no direct financial implications to the City related to the levy request as it is only applicable to those commercial and industrial properties within the designated improvement area boundaries.

LINKAGE TO 2023-2026 STRATEGIC PLAN

23. This is an operational matter that is not specifically related to the goals identified in the 2023-2026 Strategic Plan.



APPENDIX "A"

Downtown Barrie Business Improvement Association
2024 Budget
January - December

	Budget 2024	Budget 2023	Actual 2023 (See Note 1)
Income			
BIA LEVY			
800000-5201 Tax Levy	726,434	684,387	680,671
800050-5201 Charity Rebates	-	-	(6,008)
800070-5200 Grant Income	-	-	245,519
810510-5221 Special Events Revenues	-	-	35,453
810821-5221 Sales (Sundry)	-	-	9,240
854100-5221 Donations - General	-	-	64,905
854200-5219 Donations - Capital - Meridian Place	-	-	105,596
Total BIA Levy	726,434	684,387	1,135,376
Total Income	726,434	684,387	1,135,376
Expenses			
ADMINISTRATION			
OPERATIONS			
500320-5200 Bank Fees & Interest/Stripe Fees	-	-	2,084
500400-5200 Office Supplies / Expenses	2,500	2,000	12,516
500800-5200 Board & Special Meetings	1,250	1,000	2,247
620200-5200 Membership & Subscriptions	2,200	1,500	2,279
661800-5200 Telephone Services	2,500	2,500	4,010
675100-5200 R&M - Building	750	-	1,767
677300-5200 R&M – Computer/IT Maintenance	4,000	3,600	4,196
700000-5200 Office Equipment	2,200	2,200	2,456
700100-5200 Property Rental	38,412	18,882	23,687
720800-5200 Insurance Premium	11,000	11,000	13,083
Total OPERATIONS	64,812	42,682	68,326



	Budget 2024	Budget 2023	Actual 2023 (See Note 1)
WAGES, PAYROLL & PROFESSIONAL DEV			
620000-5200 Staff Training & Development	7,375	5,000	5,916
661175-5200 Fundraising Coordinator	6,800	6,800	6,152
WAGES & EXPENSES			
400000-5200 Salary & Wages	257,000	198,000	222,507
400003-5200 Payroll Taxes & Benefits	24,057	19,500	4,002
400006-5200 WSIB Expense	3,500	3,500	1,169
Total WAGES & EXPENSES	284,557	221,000	227,678
Total WAGES, PAYROLL & PROFESSIONAL DEV	298,732	232,800	239,746
PROFESSIONAL FEES			
640001-5200 Audit Expense	6,600	6,000	8,475
640002-5200 Accounting & Bookkeeping	8,000	8,000	19,232
640005-5200 Professional (Legal/HR-PR)	-	-	1,067
Total PROFESSIONAL FEES	14,600	14,000	28,774
Total ADMINISTRATION	378,144	289,482	336,846
BEAUTIFICATION & CLEANLINESS			
MARKETING & BEAUTIFICATION			
661151-5202 Public Realm Lighting	3,000	15,000	12,094
661152/3-5202 Flowers, Flags & Decorations	-	15,000	6,985
661154-5202 Manual Clean Up	21,275	11,000	21,526
661156-5202 Murals & Public Art	25,000	25,000	52,641
Total MARKETING & BEAUTIFICATION	49,275	66,000	93,246
SAFETY & MESSAGING BUDGET			
661158-5202 Safety Initiatives	-	-	53,425
661159-5202 Streetscape & Alleyway Enhancements	-	7,500	31,710
Total SAFETY & MESSAGING BUDGET	-	7,500	85,135
Total BEAUTIFICATION & CLEANLINESS	49,275	73,500	178,381



	Budget 2024	Budget 2023	Actual 2023 (See Note 1)
CULTURE AND HERITAGE EVENTS			
730512-5221 Open Air Dunlop/Meridian	57,605	82,205	-
661186-5215 Sandbox Cultural & Heritage Event	-	-	10,158
Total CULTURE AND HERITAGE EVENTS	57,605	82,205	10,158
661112-5215 Events Expenses	67,410	52,750	242,741
Total EVENTS	67,410	52,750	242,741
MARKETING & COMMUNICATION			
661101-5204 Marketing/Communications	13,600	18,100	22,415
661102-5204 Generic Marketing Incl Radio Exp	5,000	3,850	4,051
661104-5204 Print Media	-	-	12,157
661108-5204 Website/Social Media	29,000	49,000	39,015
661109-5204 Gift card program	13,400	-	1,270
661110-5204 Sponsorships	8,000	10,500	8,540
661185-5208 Event Sponsoring	-	-	9,503
Total MARKETING & COMMUNICATION	69,000	81,450	96,951
Total EXPENSES	621,434	579,387	865,077
NET OPERATING INCOME	105,000	105,000	270,299
CAPITAL			
740500-5219 Ext. Transfer - Operating	105,000	105,000	196,243
Capital expenditures	-	-	285,099
Total CAPITAL	105,000	105,000	481,342
BUDGET DEFICIT	-	-	(211,043)

Note 1 - The audit of the 2023 balances is currently being finalized, however, no changes are expected to the actual amounts included above. To adhere to PSAB standards, the BIA's audited statement of operations will differ from the budget relevant results above as capital expenditures are removed from expenses and capitalized, and amortization expense is recorded.

APPENDIX "B"

Downtown Barrie Business Improvement Area (BIA) Board of Management
Motion to Approve Budget

2024 January BIA Board Meeting – Thursday January 25th, 2024

BIA Motion 2024_01_25 #1 - 2024 BIA BUDGET APPROVAL

The Downtown Barrie BIA Board of Management moves a motion to approve the 2024 BIA Budget amount of \$726,433.50 as presented.

Moved by: Director Chris Gerrard
Seconded by: Vice Chair Steve Ricalis

Vote: All in favour APPROVED



APPENDIX "C"

Downtown Barrie BIA Audited Financial Statements
Year Ended December 31, 2022

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