

City of North Bay Report to Council

Report No: CORP 2021-12

Date: February 16, 2021

Originator: Sara Gage

Business Unit: Corporate Services

Department: Financial Services Department

Subject: 2021 Budget of the Board of Management for the Downtown Improvement Area

Closed Session: yes ☐ no ☒

Recommendation

1. That the 2021 budget of the Board of Management for the Downtown Improvement Area in the amount of \$190,623 with a resultant DIA tax levy of \$138,913 be approved by City Council; and
2. That the necessary by-law to provide for the levy and collection of special charges in respect of certain business improvement areas be prepared for the approval of City Council.

Background

Section 204(1) of the Municipal Act, 2001, S.O. 2001, c.25, (the Act), provides municipalities with the authority to designate an area as an improvement area and establish a board of management. The purpose is to oversee the improvement, beautification and maintenance of municipally-owned land, buildings and structures in the area beyond that provided at the expense of the municipality and to promote the area as a business or shopping area.

The City designated the Downtown Improvement Area and established a Board of Management in 1977 by By-Law 1977-144.

Section 205(1) of the Act, requires that the Board of Management of the Downtown Improvement Area (DIA) prepare a proposed budget annually and hold one or more meetings for discussion of the proposed budget.

The Board held a general membership meeting on February 10th, 2021 and the proposed budget was supported unanimously by the members present. The Board ratified the final budget on February 12th, 2021 which is being presented to Council for approval.

In accordance with Section 205 (2) of the Act, the DIA's proposed 2021 budget, attached as Appendix A to Report to Council CORP 2021-12, is being submitted to City Council for approval.

For the purposes of this report "tax rate", "tax levy", "tax levy revenues" and "current value assessment" are specific to the designated Downtown Improvement Area.

Significant items included in the budget are as follows:

- No tax rate increase for 2021. (Rates unchanged since 2004)
- Overall tax levy has decreased by \$3,263 or 2.30%.
- Total 2021 Current Value Assessment (CVA) is \$42,887,000, a decrease of \$711,100 or 1.63% from 2020. Tax levy revenues account for approximately 73% of total revenues.
- The overall budget relative to 2020 is down by \$23,513 or 10.98%. The budget decrease primarily relates to one time funding of \$25,000 provided for the Healthy Ambassador program in the downtown in 2020. The program is now being funded by Nipissing Mental Health Housing and Support Services. This is partially offset by an increase of spending in security and beautification in order to increase safety and attract patrons to the downtown.
- Pursuant to Section 208(3) of the Act, the City has imposed a maximum levy. The maximum levy for Main Street properties is \$2,665 and the maximum levy for properties not on Main Street is \$1,600. The maximum thresholds remain unchanged from 2020.

Financial/Legal Implications

Should any program or event cost more than the amount budgeted, adjustments will be made within the Board's budget to maintain an overall balanced budget.

There is no financial impact on the City budget. A copy of the 2020 financial statements will be submitted to the City once the 2020 Audit has been completed.

Corporate Strategic Plan

- | | |
|--|---|
| <input type="checkbox"/> Natural North and Near | <input checked="" type="checkbox"/> Economic Prosperity |
| <input type="checkbox"/> Affordable Balanced Growth | <input checked="" type="checkbox"/> Spirited Safe Community |
| <input type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

- Engage the business community in identifying and developing economic opportunities
- Utilize resources and partnerships to beautify and enhance the appearance of the City

Options / Analysis

Option # 1:

That Council does not approve the 2021 budget as proposed by the membership and DIA Board. This would materially impact the ability of the DIA to effectively manage the improvement, promotion, beautification and development of the downtown as a business and shopping area.

Option # 2:

That Council approves the 2021 budget to enable the DIA to carry out their mandate to the business improvement area. Approval of the budget at the March 9th, 2021 Council meeting will provide sufficient time for notice to be sent to all property owners within the DIA as per section 210 (1) of *the Act*. The approval will also provide sufficient time for a 60 day period for objections, preparation and passage of a by-law respecting the levy, collection of special charges and the inclusion of the tax on the City tax bills to be processed in early June.

Recommendation

1. That the 2021 budget of the Board of Management for the Downtown Improvement Area in the amount of \$190,623 with a resultant DIA tax levy of \$138,913 be approved by City Council; and
2. That the necessary by-law to provide for the levy and collection of special charges in respect of certain business improvement areas be prepared for the approval of City Council.

Respectfully submitted,

Sara Gage
Financial Reports Coordinator

We concur in this report and recommendation.

Margaret Karpenko, CPA, CMA
Chief Financial Officer / Treasurer

David Euler, P.Eng., PMP
Chief Administrative Officer

Personnel designated for continuance: Financial Reports Coordinator

Attachment: Appendix A - 2021 DIA Budget