



City of North Bay Report to Council

Report No: CORP-2022-026

Date: February 10, 2022

Originator: Sara Gage

Business Unit:

Corporate Services

Department:

Financial Services Department

Subject: 2022 Budget of the Board of Management for the Downtown Improvement Area

Closed Session: yes ☐ no ☒

Recommendation

1. That the 2022 budget of the Board of Management for the Downtown Improvement Area in the amount of \$191,363 with a resultant DIA tax levy of \$137,938 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 approved the budget at their February 2nd, 2022 meeting and held a membership meeting on February 8th, 2022 where the budget was passed

unanimously by the members present.

In accordance with Section 205 (2) of the Act, the DIA's proposed 2022 budget, attached as Appendix A to Report to Council CORP 2022-026, 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 2022. (Rates unchanged since 2004)
- Overall tax levy has decreased by \$975 or 0.70%.
- Total 2022 Current Value Assessment (CVA) is \$41,495,700, a decrease of \$1,391,300 or 3.24% from 2021. Tax levy revenues account for approximately 72% of total revenues.
- The overall budget relative to 2021 is up by \$740 or 0.39%. The budget increase primarily relates to an increase in salary and benefits offset by a decrease in promotions as a result of marketing duties being done by internal staff.
- 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 2021.

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 2021 financial statements will be submitted to the City once the 2021 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 2022 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 2022 budget to enable the DIA to carry out their mandate to the business improvement area. Approval of the budget at the February 22nd, 2022 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.

Recommended Option

1. That the 2022 budget of the Board of Management for the Downtown Improvement Area in the amount of \$191,363 with a resultant DIA tax levy of \$137,938 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,

Name: Sara Gage

Title: Coordinator, Financial Reports

I concur with this report and recommendation

Name Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

Name David Euler, P.Eng., PMP

Title: Chief Administrative Officer

Personnel designated for continuance:

Sara Gage

Coordinator, Financial Reports