



City of North Bay Report to Council

Report No: CORP-2024-016

Date: February 14, 2024

Originator: Sara Gage

Business Unit:

Department:

Corporate Services

Financial Services Department

Subject: 2024 Budget of the Board of Management for the Downtown Improvement Area

Closed Session: yes no

Recommendation

1. That the 2024 budget of the Board of Management for the Downtown Improvement Area in the amount of \$160,038 with a resultant DIA tax levy of \$143,538, as set out in Report to Council CORP 2024-016 dated February 14, 2024, from Sara Gage, be approved by City Council;
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; and
3. That the necessary by-law to revise the maximum charges outlined in By-Law 1977-144, as amended, 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 on February 14th, 2024 and held a membership meeting on January 29th, 2024 where the budget was passed unanimously by the members present.

In accordance with Section 205 (2) of the Act, the DIA's proposed 2024 budget, attached as Appendix A to Report to Council CORP 2024-016, 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:

- Tax rate increase of 5% for 2024. (The last rate increase was in 2004).
- Overall tax levy has increased by \$6,097 or 4.44%. The increased levy will be used to offset reduced partnership revenues and maintain current programming levels.
- Total 2024 Current Value Assessment (CVA) is \$41,939,700, an increase of \$435,900 or 1.05% from 2023. Tax levy revenues account for approximately 90% of total revenues.
- The overall budget relative to 2023 is down by \$21,450 or 11.82%. The budget decrease primarily relates to a decrease in salary and benefits relating to a change in staffing complement by eliminating the student positions. This is partially offset by a decrease in grant revenue relating to the staffing.
- Pursuant to Section 208(3) of the Act, the City has imposed a maximum levy. The maximum levy for Main Street properties is \$2,798 (\$2,665 in 2023) and the maximum levy for properties not on Main Street is \$1,680 (\$1,600 in 2023). This reflects an increase of 5% and is the first increase since 2011.

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 2023 financial statements will be submitted to the City once the 2023 Audit has been completed.

Corporate Strategic Plan

Natural North and Near

Economic Prosperity

Affordable Balanced Growth Spirited Safe Community

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 2024 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 2024 budget to enable the DIA to carry out their mandate to the business improvement area. Approval of the budget at the February 27th 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 2024 budget of the Board of Management for the Downtown Improvement Area in the amount of \$160,038 with a resultant DIA tax levy of \$143,538, as set out in Report to Council CORP 2024-016 dated February 14, 2024, from Sara Gage, be approved by City Council;
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; and
3. That the necessary by-law to revise the maximum charges outlined in By-Law 1977-144, as amended, be prepared for the approval of City Council.

Respectfully submitted,

Name: Sara Gage, CPA

Title: Coordinator, Financial Reports

I concur with this report and recommendation

Name Shannon Saucier, CPA, CA

Title: Director, Financial Services / Deputy Treasurer

Name Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

Name John Severino, P.Eng., MBA

Title: Chief Administrative Officer

Personnel designated for continuance:

Sara Gage, CPA

Coordinator, Financial Reports