
MANAGEMENT REPORT

Date: January 15, 2024
To: Finance and Labour Relations Committee
From: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Report Number: FIN24-001
Attachments: 1. BIA 2024 Draft Budget
2. Draft 2024 BIA By-law

Title: Downtown Stratford Business Improvement Area 2024 Draft Budget

Objective: To approve the 2024 draft operating budget of the Downtown Stratford Business Improvement Area (BIA).

Background: The Municipal Act, 2001, s. 204 authorizes a municipality to establish a Business Improvement Area to be governed by a board of management.

The Municipal Act, 2001, s. 205 requires that the board of management *shall prepare a proposed budget for each fiscal year by the date and in the form required by the municipality and that the board of management shall submit the budget to council by the date and in the form required by the municipality and the municipality may approve it in whole or in part but may not add expenditures to it.*

The 2024 draft budget for the BIA is attached for review.

Analysis: Representatives from Downtown Stratford BIA will be attending the meeting to review the budget and answer questions.

The 2024 budget being presented represents no change from 2023 to the tax levy, and only a very minor change to the overall budget (\$200 increase).

Based on the assessment values in the catchment area, the 2024 rates are illustrated in Table 1:

Property Classification	2024 CVA	2024 Ratio	2024 Rate	2024 Levy by Class
Commercial	93,190,200	1.975370	0.003141862	\$292,789.88
Industrial	1,598,000	2.630000	0.004181863	\$6,682.62
Total	94,788,200			\$299,472.50

For comparison, the 2023 information is noted in Table 2:

Property Classification	2023 CVA	2023 Ratio	2023 Rate	2023 Levy by Class
Commercial	93,185,100	1.975370	0.003150475	\$292,751.20
Industrial	1,598,000	2.637993	0.004206071	\$6,721.30
Total	94,783,100			\$299,472.50

Because there has not been a new reassessment cycle and the BIA budget remains the same in 2024 as 2023, there are only minor classification shifts, caused by a shift in the industrial ratio in 2023 and very small adjustments to the assessed values on specific properties.

On a separate note, the City provides the BIA with accounting services (accounts payables and payments, accounts receivables and revenues, cash deposits, bank reconciliations, remittance of HST returns and financial statement preparation) at no charge. City Finance staff also provide guidance when requested and liaise where required with the BIA's financial auditor.

Staff recently reviewed these in-kind supports provided from the Finance division and provide the following, for information.

In-kind contributions amount to an estimated 150-175 hours annually at an estimated cost of \$8,500. This is briefly described as follows:

- Day to day banking, including all accounting and preparation of cash deposits taken to the bank, processing revenues through Accounts Receivable, typically weekly, and monthly bank reconciliation activities. This also includes all accounting required for the Downtown Dollars program.
- Accounts Payable and payments: The City remits payments to BIA vendors throughout the year. The average cheque and EFT volume of transactions is 15 and 39 respectively per month.

- Mail: City staff process BIA mail through the City's postage machine and take it to the post office. The BIA is invoiced for postage used at the City's discounted rate.
- Payroll: BIA staff are not paid directly through the City's routine payroll, however transactions are calculated in the payroll system, and paid from Accounts Payable staff. The BIA provides the City with amounts to be statutorily remitted, and these amounts are paid through A/P staff.
- Accounting and financial statement preparation, including a monthly statement of revenue and expenditure (cash basis) prepared for BIA staff to take to the Board, including review of Trial Balance and formatting into a user-friendly spreadsheet. Also liaising with BIA staff and auditors with respect to annual audited financial statements that City staff prepare and forward to the auditors.
- BIA Tax Levy: The City administers the BIA levy through the semi-annual tax billing process. The Levy is charged to commercial and industrial property owners in the catchment area. The owners' names and addresses are maintained the same as all City properties. Extracting this information for the BIA is performed typically once annually. Adjustments to assessed values and taxes similarly occur with BIA properties, and annual reconciliations made to the BIA levy originally billed and payments to the BIA are adjusted accordingly as needed.
- HST: City staff manage the BIA's legislative reporting and remitting of HST collected and HST rebates and input tax credits. The BIA is on a semi-annual reporting frequency and staff prepare, review and remit the returns online, and all accounting through Accounts Receivable relating to these remittances is recorded by City staff.

Financial Implications:

Financial impact to current year operating budget:

There is no direct financial impact for The Corporation of the City of Stratford. The in-kind provision of services/dedication of finance staff time to perform all financial transactions and bookkeeping is an indirect (unrecorded) impact of costs incurred related to supporting the BIA and absorbed in the overall City tax levy.

Financial impact on future year operating budget:

There is no future year impact, as the BIA budget and levy are approved annually.

Alignment with Strategic Priorities:

Strengthening our Plans, Strategies and Partnerships

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Alignment with One Planet Principles:

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Culture and Community

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

Staff Recommendation: THAT the draft 2024 budget of the Stratford City Centre Business Improvement Area be approved as submitted in the amount of \$325,472.50;

THAT the sum of \$299,472.50 shall be levied on properties located within the boundaries of the Downtown Stratford Business Improvement Area for the year 2024;

AND THAT a by-law to levy this special charge upon the rateable property in the business improvement area for the Downtown Stratford Business Improvement Area (BIA) for 2024 be authorized.

Prepared by:	Karmen Krueger, CPA, CA, Director of Corporate Services
Recommended by:	Karmen Krueger, CPA, CA, Director of Corporate Services Joan Thomson, Chief Administrative Officer