



Staff Report for Committee of the Whole Meeting

Date of Meeting: June 5, 2018
Report Number: SRCFS.18.022

Department: Corporate and Financial Services
Division: Financial Services

Subject: 2018 BIA Proposed Budget & Financial
Statement Update

Purpose:

To present the 2018 BIA proposed budget and funding sources, as well as reporting on the Board approval of the 2015 and 2016 Audited Financial Statements.

Recommendation(s):

- a) That the 2018 operating budget of \$121,200 for the Village of Richmond Hill Business Investment Area (BIA) as provided within this report be approved; and
- b) That the amount of \$102,080 be levied upon the rateable properties in the improvement area.

Contact Person:

David Dexter, Director of Financial Services/ Treasurer Extension 2484

Report Approval:

Submitted by: Mary-Anne Dempster, Commissioner of Corporate and Financial Services

Approved by: Neil Garbe, Chief Administrative Officer

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), Town Solicitor (as required), Commissioner, and Chief Administrative Officer. Details of the reports approval are attached.

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Background:

At the November 22, 2017 Audit Committee meeting the Town's external auditors Grant Thornton, presented concerns of the late timing of the completion and Board approval of both 2015 and 2016 audits and financial statements. At that meeting Committee directed staff to inform the BIA to report back in early 2018 with Board approved Audited Financial Statements for 2015 and 2016. These audits and respective financial statements have been completed and approved by the BIA Board.

This report is also intended to present the 2018 BIA Proposed Budget for approval. The table below summarizes the major expenditure categories compared to the approved 2017 budget (also presented in Appendix "A").

	2018 Proposed Budget	2017 Approved Budget
Local & Major Events Expenses	\$1,800	\$3,000
BIA Meeting Expenses	\$1,000	\$2,000
Office & General Expenses	\$2,700	\$3,500
Office Rent & Utilities	\$27,000	\$23,140
Marketing	\$27,200	\$41,350
Graffiti Removal	\$1,200	\$500
Professional Service Fees	\$5,200	\$6,400
Employee Salaries	\$55,100	\$55,100
BIA Total Expenses	\$121,200	\$134,990

The responsibility of a BIA Board, in accordance to the Municipal Act, is as follows:

(1) A board of management shall prepare a proposed budget for each fiscal year by the date and in the form required by the municipality and shall hold one or more meetings of the members of the improvement area for discussion of the proposed budget.

(2) A 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.

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Financial/Staffing/Other Implications:

The funding sources for the \$121,200 budget will be as follows:

BIA Levy	\$102,080
Funds in BIA Bank Account	\$19,120
Total	\$121,200

Going forward the Town and the BIA both agree to transfer financial operations and related reporting to the Town's Financial Services Division. This will ensure timely record keeping and year-end audit processes. The transition in 2018 will involve:

1. Transferring banking functions and processes, both disbursement and receipts;
2. Establishing a dedicated chart of accounts;
3. Transitioning BIA staff to the Town's ADP payroll system; and
4. Putting in place a regular cycle of financial reporting to the BIA Board.

Relationship to the Strategic Plan:

Presentation of the 2018 BIA proposed budget and funding sources, as well as reporting on the approval of the 2015 and 2016 Audited Financial Statements reflect the overall use and wise management of resources.

Conclusion:

The proposed 2018 BIA Budget of \$121,200 is being recommended for approval with funding of \$102,080 from the BIA Levy and remaining amount of \$19,120 to come from BIA bank account holdings. Also the BIA financial operations and related reporting will be transitioned to the Town in 2018.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format please call contact person listed in this document.

- Appendix A – BIA Proposed 2018 Budget

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Report Approval Details

Document Title:	18.022 2018 BIA Proposed Budget and Financial Statement Update.docx
Attachments:	- 18.022 Appendix A.pdf
Final Approval Date:	May 24, 2018

This report and all of its attachments were approved and signed as outlined below:

David Dexter - May 23, 2018 - 12:34 PM

MaryAnne Dempster - May 24, 2018 - 8:40 AM

Neil Garbe - May 24, 2018 - 9:11 AM