

Staff Report 2023-0083

Meeting Date: April 4, 2023

Subject: 2023 Bolton Business Improvement Area (BIA) Budget

Submitted By: Hillary Bryers, Acting Treasurer

RECOMMENDATION

That the Bolton Business Improvement Area's (BIA) 2023 Operating Budget, as approved by the Bolton BIA Board of Management on March 20, 2023, in the amount of \$63,299.00 as outlined in Schedule A of Staff Report 2023-0083, be approved;

That the Bolton BIA Operating Budget be funded by:

- a) A special tax levy of \$49,740 to be included in the 2023 Final Tax Levy By-law for commercial properties located within the Bolton BIA boundaries; and
- b) A use of accumulated surplus of \$13,559

That staff be authorized to advance the one half of the Bolton BIA's 2023 special tax rate levy in the amount of \$24,870 to the Bolton Business Improvement Area Board of Management on, or after, May 5, 2023 upon receipt of the BIA's 2022 audited financial statements; and

That staff be authorized to issue the balance of the special tax levy in the amount of \$12,435 to the Bolton BIA Board equally after the last two tax installment due dates on July 7, 2023 and September 8, 2023 subject to the receipt of the BIA's 2022 audited financial statements.

REPORT HIGHLIGHTS

- The Bolton Business Improvement Area was established to promote the businesses within the area and to improve, beautify and maintain municipally owned lands, buildings and structures in the area above the current service level provided by the Town.
- This report recommends the approval of the 2023 Operating Budget for the Bolton Business Improvement Area (BIA).
- The budget was approved by the Bolton BIA Board of management (BIA Board) on March 20, 2023 and submitted to the Town totaled \$63,299
- The budget for 2023 includes a special tax rate levy of \$49,740.

DISCUSSION

The Bolton Business Improvement Area Board of Management is a local board that was established to promote the businesses within the area and to improve, beautify and maintain municipally owned lands, buildings and structures in the area above the current service level provided by the Town. The Bolton Business Improvement Area is defined by by-law and is designated to promote the area as a business and shopping district.

The Bolton BIA operating budget is mainly funded by a special tax rate levy of \$49,740.00 applied to downtown businesses within the Bolton BIA. Other funding that is received is in the form of user fees from events organized by the Bolton BIA. In addition, the Bolton BIA Board

of Management wishes to use \$13,559.00 of the BIA's unaudited, 2022 accumulated year-end surplus to fund the 2023 budgeted expenses.

FINANCIAL IMPLICATIONS

As per Section 208 of the *Municipal Act, 2001, as amended*, a special tax rate may be established to fund the Bolton BIA. The special tax rate for the Bolton BIA will be included as part of the 2023 Final Tax Levy.

Funding for the Bolton BIA's 2023 Operating Budget will be established by a special tax rate in the amount of \$49,740 for those businesses within the Business Improvement Area. This special tax rate is separate from the general tax rate and is applied to businesses within the Bolton BIA's boundary in addition to the general tax rate.

The Bolton BIA proposes using \$13,559 from the total unaudited accumulated surplus from prior years in order to support the 2023 expenditures as noted above. Funding of operating budgets from previous year's surpluses is not sustainable in the long-term. As in previous years, Town staff have advised the Bolton BIA Board of Management that utilizing surpluses to fund operating budgets may result in an increase in the special tax levy if expenses remain the same and there is no remaining surplus to draw from in future years. This would result in fluctuations from year to year in the amount of special levy for the Bolton BIA paid by each business within the BIA area.

The planned 2023 draws to fund the BIA's operating budget is the budgeted amount of \$13,559 as a draw from accumulated surplus. Once this accumulated surplus is expended, businesses within the Bolton BIA should be prepared for an increase in the special tax rate levy in 2024 onwards and/or the Bolton BIA should be prepared to reduce expenses in those years. If once the 2022 financial statements are received by the Town and the amount of accumulated surplus is less than the proposed 2023 draw, the Bolton BIA will have to reduce expenses accordingly to balance their budget.

Given the late timing of the Bolton BIA passing their budget, the Town will make three payments to the Bolton BIA on the below dates:

Payment Date	Installment Amount
May 5, 2023	\$24,870
July 7, 2023*	\$12,435
September 8, 2023*	\$12,435
Total Payments	\$49,740

*These payments are conditional on the receipt of the BIA's 2022 audited financial statements.

It is the responsibility of the Bolton BIA board to maintain the financial records in accordance with the *Municipal Act, 2001, as amended*. These records are audited by the Town of Caledon's municipal auditor.

COUNCIL WORK PLAN

Subject matter is not relevant to the Council Workplan.

ATTACHMENTS

Schedule A: Bolton BIA 2023 and 2022 Operating Budget