

Town of Whitby

Staff Report

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**Report Title: Downtown Whitby Business Improvement Area (BIA)
2024 Budget and 2023 Reporting**

Report to: Committee of the Whole

Date of meeting: April 8, 2024

Report Number: FS 13-24

Department(s) Responsible:

Financial Services Department
Office of the Chief Administrative Officer

Submitted by:

Fuwing Wong, Commissioner, Financial
Services, Treasurer

**Acknowledged by M. Gaskell, Chief
Administrative Officer**

For additional information, contact:

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1. Recommendation:

1. That the Downtown Whitby Business Improvement Area Board of Management's proposed 2024 Beautification Report and the 2023 Annual Report, (Attachments 2 and 3 of Report FS 13-24), be received; and,
2. That the Downtown Whitby Business Improvement Area Board of Management's proposed 2024 Budget, (as outlined in Attachment 1 of Report FS 13-24), inclusive of a \$220,500 special tax levy for businesses within the Downtown Whitby Business Improvement Area, be approved.

2. Highlights:

- The proposed Downtown Whitby Business Improvement Area ("BIA") budget for 2024 is \$282,283 which is \$93,159 lower than the approved 2023 budget.
- Despite a lower overall operating budget, the proposed 2024 BIA budget includes a proposed 5% (or \$10,500) increase in the Special Tax Levy (i.e. 2024 special tax levy of \$220,500 from \$210,000 in 2023).
- The Special Tax Levy for the BIA is in addition to the general tax levy and is collected from properties in one of the prescribed business property classes within the Downtown Whitby Business Improvement Area.

- The proposed 2024 BIA budget also includes a \$29,783 draw from their reserves (previous surpluses) which is not sustainable in the long-term.

3. Background:

The Downtown Whitby Business Improvement Area was established on April 17, 2017, through By-law # 7268-17 in accordance with Section 204 of the Municipal Act. The by-law included a schedule that outlined the defined boundary of the Downtown Whitby Business Improvement Area (see Attachment 4).

The Downtown Whitby Business Improvement Area Board of Management (“**BIA Board**”) is a local board for the municipality and has the responsibility to promote the Business Improvement Area as a business or shopping area. The BIA Board may also oversee the improvement, beautification, and maintenance of municipally owned land, buildings, and structures within the BIA beyond the service levels and budgets provided for within the Town’s budget. A Terms of Reference was developed (ToR-LB-03) which includes requirements for the BIA Board to submit various financial and non-financial reports annually to the Town of Whitby. This report contains the annual reports from the BIA Board, including the Board’s proposed 2024 Downtown Whitby Business Improvement Area budget.

The BIA’s budget is mainly funded through a Special Tax Levy. Other sources of funding for the BIA include grants and event revenues. The Special Tax Levy for the BIA is applied only to properties within the Downtown Whitby Business Improvement Area that are in one of the rateable business tax classes. For property owners within the boundaries of the BIA, the Special Tax Levy is in addition to the General Tax Levy collected by the Town.

4. Discussion:

Annual reports from the BIA Board are attached and include:

- The BIA Board’s 2023 Annual Report (Attachment 3)
- The 2024 BIA Beautification Report (Attachment 2)
- The BIA Board’s Proposed 2024 Budget (Attachment 1)

Further, there will be a delegation from members of the BIA Board at the April 8, 2024, Committee of the Whole meeting.

The BIA Board presented their proposed 2024 budget (attachment 1) to BIA members via an Annual General Meeting held on March 14, 2024 and approved their budget at a BIA Board meeting on March 11, 2024

Subject to Council approval of the BIA Board’s proposed 2024 budget, staff will finalize the Special Tax Levy By-law to collect a Special Levy from businesses located within the boundaries of the Downtown Whitby Business Improvement Area. The Special Tax Levy will support the initiatives outlined in the proposed 2024 BIA budget and is in addition to the General Tax Levy collected for Town of Whitby services.

5. Financial Considerations:

Full Details of the BIA's proposed 2024 budget are included in Attachment 1. Highlights of the proposed 2024 BIA budget are as follows:

- The BIA Board has presented a balanced budget where the proposed 2024 revenues and expenses are equal (at \$282,283).
- Overall, the proposed 2024 BIA budget is \$93,159 lower than the BIA's approved 2023 budget:
 - 2023 approved budget was \$375,442
 - 2024 proposed budget is \$282,283
 - \$50,000 of the decrease in the BIA's 2024 proposed budget is related to the cancellation of the Beer Fest event
- The Special Tax Levy included in the proposed 2024 BIA budget is proposed to increase by 5% or \$10,500 (from \$210,001 in 2023 to \$220,500 in 2024).
 - This special levy, along with event revenues and other revenues, is to fund the BIA Board's operating and capital programs outlined in the BIA's 2024 budget.
 - The Special Tax Levy for the BIA is in addition to the general tax levy and is collected from property owners with property that is within the BIA boundary and is in one of the prescribed business property classes.
- The proposed 2024 BIA budget includes \$29,783 to be funded from reserves (or previous BIA operating surpluses).
 - Town staff do not recommend the practice of using reserves to fund on-going operations and have advised the BIA Board of this during the 2024 BIA budget review;
 - Using reserves to fund on-going operations may lead to higher special tax rate increases in the future or result in core BIA programs/events being cancelled, with no on-going source of funding when reserves are fully depleted;
 - Further, depleted reserves leaves the BIA Board with no "rainy day" fund for unforeseen costs/emergency repairs, etc.
- Note: the financial audit for 2023 has not yet been completed so the 2023 actuals noted in the Proposed 2024 BIA Budget are unaudited at this time and may change following completion of the audit.

6. Communication and Public Engagement:

The BIA has held consultation with its members and this budget was voted on and approved at their Annual General Meeting on March 14, 2024.

7. Input from Departments/Sources:

The BIA held meetings with staff members from the Finance and Strategic Initiatives Departments as part of developing this proposed budget.

8. Strategic Priorities:

This report and the Downtown Whitby Business Improvement Area supports action item 3.2.5 – “Implement initiatives that support our downtowns as thriving destinations” in the Town of Whitby’s Community Strategic Plan.

9. Attachments:

Attachment 1 – Proposed 2024 BIA Budget

Attachment 2 – 2024 BIA Beautification Report

Attachment 3 – 2023 BIA Annual Report

Attachment 4 – Downtown Whitby Business Improvement Area Map