



MEMO / NOTE DE SERVICE

Information previously distributed / Information distribué auparavant

TO: Chair and Members of Finance and Economic Development Committee

DESTINATAIRE : Président et membres du Comité de finance et développement

FROM: Cindy VanBuskirk  
Economic Development and Long-  
Range Planning/Planning, Infrastructure  
and Economic Development/Finance  
and Economic Development Committee

Contact :  
*Brian Simpson*  
*Economic Development and Long-  
Range Planning/Planning, Infrastructure  
and Economic Development*  
*613-580-2424 Ext. 21744*  
*Brian.Simpson@ottawa.ca*

EXPÉDITEUR : Cindy VanBuskirk,  
*Développement économique et  
planification à long terme / Direction  
générale de la planification, de  
l'infrastructure et du développement  
économique / Comité de finance et  
développement*

Personne ressource :  
Brian Simpson,  
*Développement économique et  
planification à long terme / Direction  
générale de la planification, de  
l'infrastructure et du développement  
économique / Direction générale de la  
planification, de l'infrastructure et du  
développement économique*  
*613-580-2424, poste 21744*  
*Brian.Simpson@ottawa.ca*

DATE: May 16, 2019

16 mai 2019

FILE NUMBER: ACS2019-PIE-EDP-0028

SUBJECT: **Response to Motion “Business Improvement Areas” from City  
Council December 5, 2018**

**SUBJET : Réponse à la motion « Zones d'amélioration commerciale » du  
Conseil municipal présentée le 5 décembre 2018**

## **PURPOSE**

The purpose of this memorandum is to provide a formal response to the motion approved at the Finance and Economic Development Committee meeting on December 5, 2018 titled "Business Improvement Areas".

## **BACKGROUND**

On December 5, 2018, Councillor Mathieu Fleury raised a motion requesting that staff from Corporate Services and Planning, Infrastructure and Economic Development meet with the Business Improvement Areas (BIAs) at the next Ottawa Coalition of BIAs meeting to discuss best practices for financial management while exploring alternative governance and financial management models, including financial independence from the City.

### **MOTION (as approved)**

**WHEREAS Business Improvement Areas (BIAs) are local boards established by the City of Ottawa to oversee the improvement and promotion of their area, pursuant to Section 204 of the *Municipal Act, 2001*; and**

**WHEREAS each local Ward Councillor is appointed by the City as an *ex-officio* member of the BIA board in their ward pursuant to Subsection 204(2)(a) of the *Municipal Act, 2001*; and**

**WHEREAS BIA boards are required to prepare a proposed budget for each fiscal year for approval by Council which is collected by the City pursuant to Section 208 of the *Municipal Act, 2001* by charging an annual BIA levy upon the property of all BIA members in the designated area; and**

**WHEREAS in each year, the City holds the BIA budgets collected for each BIA and assists BIA boards in the financial management of their budgets, including processing invoices and maintaining their books of accounts, as a service to the BIAs;**

**THEREFORE BE IT RESOLVED that staff from Corporate Services and Planning Infrastructure and Economic Development work with BIAs at the next meeting of the Ottawa Council of Business Improvement Areas (OCOBIA) to review best practices for financial management and reporting to the Board; and**

**BE IT FURTHER RESOLVED THAT this work include exploring alternative governance and financial management models and best practices that may respond to the individual needs of BIAs.**

## DISCUSSION

On February 7, 2019, The Ottawa Coalition of BIAs invited Councillor Mathieu Fleury, Councillor Jenna Sudds and Finance and Economic Development staff to their board meeting. Councillor Fleury raised the notion that he would like to see BIAs become financially independent from the City and manage their own accounting and financial matters. He suggested that each BIA continue the discussion with their Board of Directors. Where a BIA Board showed interest, it was encouraged that they invite Finance staff to attend a Board meeting and answer questions regarding the implications and process to obtain financial independence. In the months that followed the meeting, only two BIAs expressed an interest in furthering the conversation regarding financial independence. There has been no further outreach from other BIAs and the two BIAs who did express early interest have not proceeded with the process to obtain financial independence from the City.

OCOBIA is incorporating as a not-for-profit entity and hiring an Executive Director. Finance staff will work with the new Executive Director to develop best practices for BIAs regarding budget submissions, the accepting of event receipts, distribution of financial reports to Boards, and the use of credit cards. The intent of these best practices is to ensure that all BIAs are meeting their financial requirements in a consistent manner.

## CONCLUSION

While financial independence will remain an option for BIAs to consider, the interest by BIAs to undertake such a transformation has been low. Finance staff will continue to support BIAs with their financial management needs and will provide recommendations on best practices.

*Original signed by*

Cindy VanBuskirk

*Original signed by*

John Smit