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Town of Aurora

## Committee of the Whole Report

No. PDS24-042

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**Subject:** Aurora Business Improvement Area Annual Report 2023

**Prepared by:** Lisa Hausz, Manager, Economic Development

**Department:** Planning and Development Services

**Date:** April 2, 2024

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### Recommendation

1. That Report No. PDS24-042 be received; and
2. That the Aurora Business Improvement Association's (BIA) 2023 audited financial statements attached hereto as Attachment 2 be received; and
3. That the 2024 Aurora BIA Budget of \$95,842 be approved; and
4. That a bylaw be enacted to levy a Special Charge upon Rateable Property in the Aurora Business Improvement Area, in the amount of \$74,778; and
5. That the Aurora BIA Board be requested to report back to Council on how the Board is going to address the governance issues raised in staff Report No. PDS24-021 by June 30, 2024.

### Executive Summary

This report seeks Council's direction and/or approval of the proposed 2024 Business Plan and Budget of the Aurora Business Improvement Association (BIA) as presented by the BIA's Board of Management, and that if the budget is approved, that Council enact a bylaw to levy a special charge in support of the plan.

- The Aurora BIA Board presented its 2023 financials (unaudited) and 2024 plan on February 28, 2024.
- The Aurora BIA has a surplus of \$21,064 as a result of unspent budget in 2023.
- The budget request for 2024 is \$95,842, less the 2023 carryover is a net levy request of \$74,778.

## Background

**The Aurora BIA Board presented its 2023 financials (unaudited) and 2024 plan on February 28, 2024.**

Prior to submitting an annual budget to Council for consideration, the BIA Board of Management is required to hold one or more meetings of its members to discuss the proposed budget. On November 28, 2023, the Board held a meeting of members and social event to discuss options for increasing the budget. Twenty-two people attended: four Board members, thirteen members, and five guests. While they did not have quorum of the Board for formal motions or votes, there was a presentation and discussion with the membership reviewing options to increase the levy, increase the BIA boundary and/or request further financial assistance from the Town. Also in November, 2023, Council confirmed a motion directing staff to review By-Law Number 6128-18, being the Aurora Business Improvement Area By-law (BIA By-law) and Governance and report back to Council with various governance models.

On February 20, 2024, staff report PDS24-021 Aurora BIA Governance Review report identified several areas of BIA governance that are not in keeping with the BIA By-law and/or Municipal Act, 2001 (Act) and recommended that the By-law establishing the BIA be repealed, thus dissolving duplication and governance issues. Council referred the report back to staff to discuss options with the Board and other stakeholders and report back. Until then, due to the seriousness of the issues identified, it is recommended that the BIA Board review the staff report and report to Council on how it intends to address the issues.

On February 28, 2024, the Aurora BIA held its Annual General Meeting for members within the BIA Boundary (see Attachment 1- Aurora BIA Boundary Map). In accordance with the Town's Procedure By-law that allows for electronic participation at meetings, the Annual General Meeting was held at Town Hall with a hybrid option to encourage member participation. Fifteen voting members attended the Aurora BIA Annual General Meeting, eight Board members and seven members; plus, two guests.

During the AGM, there was much discussion about the need for a larger budget, a different structure for the BIA, and the BIA's role in providing value to the downtown area, relative to the other entities doing the same or similar work. The members expressed concern over increasing the budget without a plan for future budgets. They agreed that the current BIA structure does not support the required outcomes but agreed to move forward with the proposed 2024 budget, with a commitment from the

Board to research other options and review them with the membership by June 30, 2024.

Councillor Weese put forward the following motion, with a unanimous positive vote of the members present:

*Motion to approve the Downtown Aurora BIA Board's proposed budget and increase to the levy for 2024, and present to Aurora Council for approval, with the request of the Board's commitment to research up to three alternative and existing BIA models in Ontario and present them to BIA members for review before June 30<sup>th</sup>, 2024.*

## Analysis

**The Aurora BIA has a surplus of \$21,064 as a result of unspent budget in 2023.**

The audited financials by KPMG, Attachment 2 – Final Audited Financial Statements - Aurora BIA 2023, identify a surplus in 2023 of \$21,064 as a result of unspent budget from 2023. For reference on past budget utilization, Table 1, below shows the past budget, levy request, percentage of budget spent on administration, actual spend, and carryover per year.

**Table 1: Aurora BIA Budget Utilization 2019-2023**

Budget Amount Approved by Council	Budget	Levy (budget less carryover)	Percentage budget for Admin	Actual Spend (\$/%)	Carryover (\$/%)
2019	\$40,400	\$40,400	10%	\$34,107 (84%)	\$6,293 (16%)
2020 (COVID – carryover from 2019)	\$6,293	\$0	38%	\$3,446 (55%)	\$2,847 (45%)
2021	\$40,400	\$37,553	15%	\$21,958 (54%)	\$18,442 (46%)
2022	\$55,711	\$37,269	16%	\$9,136 (16%)	\$46,575 (84%)
2023	\$65,400	\$18,825	17%	\$44,336 (68%)	\$21,064 (32%)
<b>2024 (proposed)</b>	<b>\$95,842</b>	<b>\$74,778</b>	12%	TBD	TBD

**The budget request for 2024 is \$95,842, less the 2023 carryover is a net levy request of \$74,778.**

In 2023, the BIA allocated funds for a marketing strategy, and implemented a social media plan. The Board of Directors received quotes for services and contracted a third-party marketing firm to perform the services on behalf of the BIA.

The BIA Board of Management's proposes a 2024 budget of \$95,842 that requires a special tax levy in support of the activities prescribed in their business plan, including an increase in social media efforts, outsourced coordinator support, and funding to explore boundary expansion. In consideration of the noted 2023 surplus carryover of \$21,064, the requested net special tax levy requirement for 2024 becomes \$74,778.

### **Advisory Committee Review**

None.

### **Legal Considerations**

The BIA is governed by the Act and the BIA By-Law. Pursuant to the Act, Council has the power to approve the BIA budget, in whole or in part, but may not add expenditures to it. Further, pursuant to the Act and Section 7.6 of the BIA By-Law, the Board of Management of the BIA is required to prepare and submit to Council an annual report for the preceding year that shall include audited financial statements. Council may establish a special charge levy on business properties within the business improvement area by enacting a by-law to raise funds for the BIA. Any charges levied would have priority lien status and shall be added to the tax roll of applicable business class properties.

### **Financial Implications**

As presented in its audited financial statements in Attachment 2, the BIA has concluded 2023 with a total surplus of \$21,064 once all outstanding liabilities are considered. As per its presented 2024 budget, the BIA identifies a total tax levy requirement of \$95,842 for 2024. As noted previously, the BIA will partially fund its total 2024 levy requirement with the available \$21,064 of 2023 surplus carry over, resulting in net levy requirement of \$74,778 (\$95,842- \$21,064).

## **Communications Considerations**

The BIA will communicate the approved budget to its members along with the business plan and proposed activities.

## **Climate Change Considerations**

The recommendations from this report do not impact greenhouse gas emissions or impact climate change adaptation.

## **Link to Strategic Plan**

Support for a BIA business plan and budget supports the Strategic Plan goal of supporting small business and encouraging a more sustainable business environment by working with community partners to promote local employment practices/opportunities for local businesses and residents.

## **Alternative(s) to the Recommendation**

1. That Council approve a different budget amount, less the 2023 carryover of \$21,064, and that a by-law be enacted to levy a Special Charge upon Rateable Property in the Aurora Business Improvement Area, in the revised net amount.
2. That Council provide direction.

## **Conclusions**

On February 28, 2024, the BIA held its Annual General Meeting and presented the 2023 audited financial statements, as well as the Board of Management's 2024 business plan and budget. BIA members discussed and approved the Board's proposal to present a budget of \$95,842 to Council for approval, with a commitment by the BIA Board to research other BIA structures and report back to the membership before June 30, 2024. Further, it is recommended that Council instruct the BIA Board to review the governance issues identified in staff report PDS24-021 and report back to Council by June 30, 2024 on how the Board will address the issues.

## **Attachments**

Attachment 1 – BIA Boundary Map

Attachment 2 – Final Audited Financial Statements - Aurora BIA 2023

## **Previous Reports**

Council Report No. PDS24-021, dated February 20, 2024

Council Report No. PDS23-054, dated April 25, 2023

Council Report No. PDS22-050, dated April 19, 2022

Council Report No. PDS21-048, dated April 20, 2021

## **Pre-submission Review**

Agenda Management Team review on March 14, 2024

## **Approvals**

Approved by Marco Ramunno, Director, Planning and Development Services

Approved by Doug Nadorozny, Chief Administrative Officer