



Board of Management Report – FI01-04-TC

To: Town Council

From: Cedric Tomico, Chair – Tillsonburg BIA
Dan Rasokas, Treasurer – Tillsonburg BIA
Mark Renaud, Executive Director – Tillsonburg BIA

Date: January 21st, 2021

Subject: Request for BIA tax adjustment to be allocated to “tax stabilization reserve”

This report outlines a request from the BIA to the Town of Tillsonburg regarding handling and allocation of the unanticipated 2020 tax adjustment which affects the BIA financial performance for the 2020 fiscal year.

The BIA does not have unrestricted funds to absorb this deficit without requiring changes to the approved 2021 Budget and Business Plans.

Discussion:

On December 15th, 2020; the BIA was made aware of an adjustment (-\$16,331.41). This notice was received with no advanced “heads-up” or warning. The BIA had made full-year spending commitments for the month of December 2020 including sponsorship of the T-GO Saturday service; Christmas Crawl shop-local campaign including significant radio advertising; Christmas décor in the large pots and Clock Tower area; and other spending which could have been placed on hold if we had known we would not be receiving the full Q4 payment on December 15th.

The BIA by-law #2013 from October 1978; outlines the conditions precedent about how the BIA is to operate as a body corporate and as a municipal board. These conditions are restrictive and does not allow the BIA to resolve this deficit without discussion and approval by the Town of Tillsonburg and Town Council.

Special note: The HST credit for 2020 fiscal year will not be received until July or August of 2021 – this is also a cash-flow issue. The estimated amount due as a credit back to the BIA for 2020 fiscal year is approximately \$16,300.

Additional action plan items:

The BIA team has undertaken a review of the budgetary process and has implemented a plan forthwith to manage this process going forward as follows:

- 1) There will be a reserve account and separate bank account by which a “tax adjustment” will be contributed to and drawn from. **Target date: February 1st, 2021.**
- 2) The BIA will immediately implement a 5% contribution to this reserve account effective immediately. This represents \$6,972.50 in the 2021 fiscal year budget. **Target date: Complete.**
- 3) Work with the Town of Tillsonburg Finance Team on a financial services MOU by which there is a defined and clearly articulated process to manage tax adjustments. **Target date: April 1st, 2021.**
- 4) Consider implementing a provision of the Municipal Act with respect to the allocation of the BIA budget for large properties in the BIA zone which eliminates any future tax adjustments. **Target date: BIA report to the Board of Management at the February BIA meeting.**
- 5) Work with the Ontario Business Improvement Area Association (OBIAA) to review and resolve for problematic areas of the BIA legislation: **Target date – TBD.**
- 6) Resolution of the errors and omissions in the existing BIA assessment roll which are significant and unresolved – **Target date: End of Q1-2021.**

Summary:

The BIA Board of Management is requesting a one-time consideration of and by the Town of Tillsonburg to fund the 2020 BIA tax-adjustment in the amount of \$16,331.41 from the town’s tax stabilization reserve.