



Staff Report

Report To: Owen Sound Downtown Improvement Area Board
Report From: Kate Allan, Director of Corporate Services
Meeting Date: November 10, 2021
Report Code: CR-21-108
Subject: 2021 Financial Forecast - DIA

Recommendations:

THAT in consideration of Staff Report CR-21-108 respecting 2021 Financial Forecast - DIA, the Owen Sound Downtown Improvement Area Board of Management directs City staff to issue an invoice for any year end funding requirement to be covered by DIA reserve funds.

Highlights:

- The DIA levy is paid by 265 properties within the boundaries of the DIA.
- 2021 had initiatives including the implementation of the marketing plan, website development, and hiring a Community Development Coordinator to oversee the implementation of the plan and events hosted by the DIA.
- The operating activities are forecasted to be \$11,100 under budget at year end.

Strategic Plan Alignment:

[Strategic Plan](#) Priority: This report supports the delivery of Core Service

Background:

The DIA budget was passed in early 2021. Revenues and costs associated with the DIA are tracked by City staff and a year end reconciliation will be

provided to support any surplus or deficit resulting from the operations of the current fiscal year.

Analysis:

Based on known and anticipated revenues and expenses, City staff are predicting an operating surplus of \$11,100. This amount will reduce the budgeted transfer from reserves that was budgeted for at year end.

Some explanation of variances are provided below:

Favourable:

1. Under beautification and maintenance, the budget for supplementary street washing was set at \$7,500 while the actual costs for labour and equipment incurred were only \$2,400 resulting in a surplus of \$5,100.
2. 50% of parking pass revenue is estimated to achieve over \$20,000 at year end. This will result in a surplus of over \$7,000 on the budget of \$13,000.
3. Due to the deferral of a Board celebration event in 2021, a surplus of \$5,000 is realized.

Unfavourable:

1. Revenues are forecasted to be approximately \$2,700 under budget. Final year end figures for tax adjustments, interest, and donations will be reconciled before determining the year end position.
2. Administration is approximately \$2,100 over budget due to audit fees that came in higher than budgeted and the costs associated with maintaining a dedicated phone line.

As noted, the net impact of the variances above results in an operating surplus of \$11,100. The budget anticipated withdrawing \$43,440 from reserves to cover the cost of implementing the marketing action plan. With a surplus of \$11,100 the net funding requirement is \$32,241.

In addition to the \$32,241, during 2021 the DIA committed to funding 50% of the wages of a Community Development Coordinator through to the end of 2021. The 50% cost of this position in 2021 is \$15,524 bringing the total estimated reserve funding requirement to \$47,765. Once all year end

reconciliations are complete, this number will be finalized, and an invoice will be generated to recover the funds from the DIA reserve.

Based on the opening reserve balance of \$160,090, the estimated year end balance will be \$112,325 after the transfer is made.

Financial Implications:

The anticipated reserve funding requirement is \$47,765 bringing the estimated year end reserve balance to \$112,325.

Communication Strategy:

A final year end report will be presented to the DIA Board in early 2022.

Consultation:

Brent Fisher, Manager of Community Development and Marketing

Pam Coulter, Director of Community Services

Attachments:

1. DIA Financial Forecast

Recommended by:

Kate Allan, Director of Corporate Services

Reviewed by:

Pam Coulter, Director of Community Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Brent Fisher, Manager of Community Development and Marketing at bfisher@owensound.ca or 519-376-4440 ext. 1254.