



## Staff Report

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**Report To:** River District Board of Management

**Report From:** Pamela Coulter, Director of Community Services  
Kate Allan, Director of Corporate Services

**Meeting Date:** September 11, 2024

**Report Code:** CS-24-071

**Subject:** Draft 2025 River District Budget Considerations

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### Recommendations:

THAT in consideration of Staff Report CS-24-071 respecting the Draft 2025 River District Budget Considerations, the River District Board of Management:

1. Directs staff to provide notice of a public meeting to be held on November 13, 2024; and
2. Provide direction on the allocation of one-time funds to special initiatives.

### Highlights:

- The *Municipal Act* establishes the requirement for Business Improvement Areas to prepare a budget and hold a meeting where the budget can be discussed.
- The attached draft 2025 budget includes a 1.95% levy increase to members.
- Following consideration of the Board, a notice of the meeting of the Board where the budget is to be discussed with the membership will be given.
- The draft budget, as presented, continues to move forward with the implementation of the River District Action Plan, makes a contribution to the capital reserve, maintains complimentary business-sponsored parking, provides for a partnership with the

City on beautification and maintenance as well as promotion and experience development in the River District, and provides a sustainable long-term opportunity around the River District Coordinator role. The budget is sustainable and does not rely on the reserve for operating needs.

### **River District Action Plan Alignment:**

The 2025 budget supports the River District Action Plan in the areas of Branding, River District Management, River District Experience Development as well as River District Promotion.

### **Previous Report/Authority:**

None.

### **Background:**

In 2019, the Owen Sound Downtown Improvement Area Board of Management (OSDIA) and the City of Owen Sound entered a new partnership that allowed complimentary parking in the River District area sponsored jointly by the City and DIA. This agreement was updated in 2021 with a term ending in February 2024 and again in 2024 with a term ending in February 2029.

City staff provides support to the Board, expertise, and staff resources in the areas of: Branding, Marketing and Promotion, Events, Beautification, and Maintenance, as well as financial oversight and administrative support for the Board including the production of agendas, minutes, etc. with overall leadership, direction, and oversight coming from the Board.

2020 was the first full year of operations under this partnership agreement.

During the year, the Director of Corporate Services provides updates to the Board respecting the budget. New in 2023, the Director of Corporate Services shares detailed monthly financial transactions with the Board's Treasurer. The agreed provides that the City will be responsible to pay invoices, procure goods and services, collect fees and the levy. City staff are to provide quarterly updates to the Board.

The Agreement also provides that the Board, with the assistance of City staff will establish a draft annual budget.

With respect to Business Improvement Areas, the *Municipal Act* requires:

### **Budget**

**205** (1) *A board of management shall prepare a proposed budget for each fiscal year by the date and in the form required by the municipality and shall hold one or more meetings of the members of the improvement area for discussion of the proposed budget. 2002, c. 17, Sched. A, s. 40 (1).*

### **Council to Approve**

(2) *A board of management shall submit the budget to council by the date and in the form required by the municipality and the municipality may approve it in whole or in part but may not add expenditures to it. 2001, c. 25, s. 205 (2); 2002, c. 17, Sched. A, s. 40 (2).*

### **Analysis:**

The draft 2025 Operating Budget is presented (attached).

Key items in the 2025 draft budget include:

- A 1.95% increase in the levy amounting to \$5,067.
- A continuation of the reduced cost of business-sponsored parking.
- Status quo in terms of revenue expected from the sharing of parking pass revenue with the City.
- Fully funding the River District Coordinator position.
- An allocation to events and promotions of \$31,300. The detailed allocation of this to various events and promotions is based on the direction from the Board that will be part of the February 2025 report; however, this funding envelope is allocated to this use.
- Contribution to flowers, sidewalk maintenance and street washing is the same as in previous years.
- Includes a \$10,000 contribution to reserves. This would be added to the Board's existing reserve for use in a future special capital project or initiative.
- Expenses relating to the Board celebration event, education and networking remain along with a planned \$2,000 donation to the Citizens on Patrol.

The budget as presented includes levy to the membership of \$265,275.

Based on 253 properties in the area, the average levy increase is \$20.02.

Like 2024, the 2025 budget does not include a transfer from reserves and is a sustainable budget, continuing to also set a modest amount of funds aside in the reserve.

Staff recommends that any annual costs associated with website maintenance or content creation that require external resources be considered by the River District Board of Management in the context of their annual Marketing and Promotion Plan.

### **Considerations regarding one-time funding**

With the planned 2025 contribution to the River District Reserve, the balance is approximately \$164,204. These funds are to be used for unique one-time expenses that are outside of the operating budget.

The Board may want to consider allocating some of these funds to “special projects” for 2025.

Staff would offer the following items for consideration:

**a. Contribution for Downtown River Precinct Phase II (DRPII) Opening Celebration**

The City is planning an opening celebration for the opening of this block in early November. The River District may want to contribute an amount to the City to support this event. The River District would be promoted as part of the celebration. An amount of \$4,000 is recommended.

**b. Update the River District Action Plan**

In 2020, the City and River District shared the cost to develop the River District Action Plan. This Marketing and Branding Action Plan was developed as a 3-year plan, and many of the initiatives under the plan have been implemented.

At this time, BC Hughes is developing a Tourism Action Strategy for the City and Chamber of Commerce using the Municipal Accommodation Tax funds. It is understood the cost of this plan is \$35,000. This plan should be complete in Q1 of 2025 and the timing is perfect to update the River District Action Plan. It is estimated that this would cost up to \$30,000.

If the Board approved this, a proposal would be requested from BC Hughes outlining approach and scope of work and this would be presented to the Board for input and approval.

**c. Contribution to Lighting – Carney’s Lane and Artist Alley**

The City has obtained an estimate to upgrade the lighting in these 2 River District Alley’s. The proposed projects will improve the feeling of safety and security of the space and also add to the animation of the space.

The estimate for the materials including commercial grade catenary lighting, electrical and cable is \$15,000. If the RDBM approves this amount, the lighting project can move forward as planned. If the RDBM chooses to modify the proposed amount the scope of the work will have to change accordingly.

The labour to install is being donated in kind by an adjacent landowner.

**Financial Implications:**

The overall levy would increase by 1.95% with the average impact per member estimated at \$20.02. Staff are recommending the draft budget, including a 1.95% increase, go forward to the public meeting.

There are 253 properties in the River District within the City of Owen Sound. The River District tax rate for 2024 is 0.00477640.

In addition to the River District Board mandate regarding maintenance, beautification, and promotion, the City also supports the River District area in many ways:

- In 2024, approximately \$100,000 in costs were incurred by the City to support activities in the River District including maintenance, horticulture, arboriculture, and watering. This does not include activities such as street sweeping, or additional costs of waste pick-up performed by Public Works and Parks Division staff that are provided in kind.
- The River District benefits from a number of events and activations delivered by the City paid for by the Municipal levy. In 2024, these included Midweek Music and Outdoor Movie Nights (none in 2024).
- The City continues to replace and upgrade the on-street poles in the River District as part of the City’s capital program. Several new replacement trees have been and will be planted by the City at no cost to the River District.
- The River District receives weekly waste and recycling pickup.

- Other services provided at an enhanced level in the River District include three times pick up from the on-street receptacles, weekly street sweeping, and snow removal, including clearing of banks and removal of snow piles from lots.
- Construction is progressing well on the major capital investment in the 900 block of 1<sup>st</sup> Avenue East, Downtown River Precinct II which is planned to be complete in mid to late September.
- The River District is given priority for programs under the City's Community Improvement Program, including the Façade and Structural Improvement Program, Accessibility Grant Improvement Program, and Landscape Grant Program.

### **Communication Strategy:**

As required by the *Municipal Act*, the City Clerk will prepare for a notice of a meeting of the membership for the purpose of discussing the draft budget and following approval by the Board, the budget will be presented to City Council for approval.

### **Consultation:**

Viveca Gravel, River District Coordinator

### **Attachments:**

2025 Draft River District Budget

### **Recommended by:**

Pamela Coulter, Director of Community Services

Kate Allan, Director of Corporate Services

### **Submission approved by:**

Tim Simmonds, City Manager

For more information on this report, please contact Pamela Coulter, Director of Community Services, at [pcoulter@owensound.ca](mailto:pcoulter@owensound.ca) or 519-376-4440 Ext. 1252.