Minutes – Executive Policy Committee – April 21, 2021

AUDIT COMMITTEE

Item No. 1 Business Improvement Zone Governance Review

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee, in its capacity as the Audit Committee, concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the Business Improvement Zone Governance Review Report be received as information.

DECISION MAKING HISTORY:

Moved by Councillor Browaty,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Yea:	Bowman, Allard, Browaty, Gillingham, Gilroy, Mayes, Rollins	7
Nay:		0

Carried

ADMINISTRATIVE REPORT

Title: Business Improvement Zone Governance Review

Critical Path: Audit Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Mansky City Auditor	B. Mansky City Auditor		

EXECUTIVE SUMMARY

The purpose of this review was to examine the legislative and by-law framework for Winnipeg's Business Improvement Zone (BIZ) associations, the support/guidance materials made accessible to the BIZ by the City, and to compare our observations with a sample of Canadian municipalities. The intent of providing this information is to stimulate discussions and collaborative efforts towards ensuring the BIZ model is meeting the needs of Council and other BIZ stakeholders.

This was a review engagement, not an audit. Observed controls were not tested and we did not examine the internal operations or governance practices of BIZ associations.

A summary of key observations include:

- The Winnipeg BIZ model has similarities to the BIZ models in other Canadian municipalities, including:
  - Provincial legislation delegates authority to a municipality to establish a zone, by by-law;
  - Business owners have organized and petitioned a municipality to establish a zone, once conditions in a by-law have been met;
  - A board of directors, composed of area business representatives, is established to govern the organization;
  - BIZ in each municipality have similar objectives to enhance city services by promoting neighbourhood appeal, safety, and economic activity;
  - Each BIZ operates as a non-profit organization, and must have an annual budget approved by BIZ members and by a city council.
- We observed different BIZ model characteristics across municipalities. The most noteworthy of these include:
  - The process and basic requirements to start a BIZ is similar, but Winnipeg requires a higher threshold of business community support than Calgary and Edmonton;
  - The BIZ levy rate is determined on the basis of a business assessment in Winnipeg, Calgary and Edmonton, but is determined via a property assessment in Regina and Toronto;

- The support and guidance material makes accessible for BIZ is minimal compared to Calgary, Edmonton, and Toronto. In these cities, we found examples of policy templates, board member orientations and defined roles and responsibilities that were publicly accessible for BIZs.

RECOMMENDATIONS

1. That the Business Improvement Zone Governance Review Report be received as information.

REASON FOR THE REPORT

The report is being submitted in accordance with the City Organization By-law 7100/97 section 19(d)(iv) that the Audit Committee will "receive and review audit reports, and table such reports with its recommendations at a regular meeting of Executive Policy Committee."

IMPLICATIONS OF THE RECOMMENDATIONS

The most important component of an audit engagement recommendation is its implementation. The Public Service is responsible for providing a management response to the report; their responses have been included in the attached report.

The Public Service has agreed to implement the single recommendation before the end of Quarter 4, 2021.

HISTORY/DISCUSSION

The Business Improvement Zone Governance Review was approved by Council as part of the 2019-2020 Audit Plan.

FINANCIAL IMPACT

Financial Impact Statement **Date:** March 18, 2021

Project Name:

Business Improvement Zone Governance Review

COMMENTS:

There is no financial impact associated with receiving this report as information.

(Electronically signed by T. Yanchishyn)
Tanis Yanchishyn
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

Assessment and Taxation
City Clerks
Corporate Finance
Planning Property and Development

OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity - Direction 1 - Provide Efficient and Focused Civic Administration and Governance

This report supports the demonstration of accountability through reporting and to continuously pursue innovative, streamlined service delivery and decision-making processes.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

The City of Winnipeg Audit Department provides assurance on the efficiency, effectiveness and economy of City programs and activities, thus enabling an organizational operating environment that promotes support of the vision and targets of the Winnipeg Climate Action Plan.

SUBMITTED BY

Department: Audit Department
Prepared by: Bryan Mansky
Date: March 17, 2021

Attachments: