Winnipeg | Audit

Business Improvement Zone Governance Review

March 2021

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REVIEW AT A GLANCE

RECOMMENDATIONS

We recommend that the Director of Planning, Property and Development create, and make publicly available additional BIZ support and guidance materials.

Review Background

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 compare our observations with a sample of Canadian major municipalities. By providing this information to Council we intend to stimulate discussions and collaborative efforts towards ensuring the BIZ model is meeting the needs of stakeholders.

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

Key Observations

A BIZ is a community of businesses in a defined area designated by a municipality. The City of Winnipeg has 16 BIZ associations. Each are primarily funded by a levy charged to each business in the designated zone, and each is governed by an independent board of directors.

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;
- Each BIZ 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 members and a council.

We observed different BIZ model characteristics across municipalities. The most noteworthy include:

- The process and basic requirements to establish a BIZ is similar, but Winnipeg requires a higher threshold of 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 Winnipeg makes accessible for BIZs is minimal. We found Calgary, Edmonton and Toronto had accessible policy templates, board member orientations, and defined roles and responsibilities.

REVIEW BACKGROUND

The intent of this review is to provide Council and stakeholders with insight of how the City's BIZ model operates and how it compares with other municipalities.

- The Business Improvement Zone Governance Review was approved by Council as part of the 2019-2020 Audit Plan.
- The purpose of the review is to provide advisory information to Council about the existing legal framework for BIZ associations in the City, the support and guidance materials the City makes accessible to the associations and a comparison of our observations with BIZ models used in other Canadian cities.
- Our review procedures included discussions with Councillors serving on a BIZ board, the Public Service and a sample of BIZ board chairs and executive directors.
- The review methodology in located in Appendix 1.

REVIEW OBJECTIVES

Our objectives were to identify and compare provisions in legislation & by-laws, and the support and guidance made accessible by the City.

- The objectives of this review were:
  - To identify key provisions for BIZ in legislation and by-laws, and compare our observations with a sample of Canadian municipalities.
  - To identify the support and guidance the City has made available to BIZ and compare our observations with a sample of Canadian municipalities.

CONCLUSIONS

The City's legislative framework for BIZ is similar to other municipalities.

- The legislative and by-law framework of the Winnipeg BIZ model is similar to those found in Calgary, Edmonton, Regina and Toronto, but includes variations of processes and requirements for key provisions.
  - We found Council has authority to define, by by-law, a majority of processes and requirements characterizing the Winnipeg BIZ model. See Appendix 2 for a summary of levels of authority.

Opportunities exist to increase the available support and guidance materials.

- The amount of support and guidance materials the City has made accessible to the BIZs is minimal in comparison with observed support and guidance materials accessible in comparator cities.

INDEPENDENCE

The Audit Department is classified as an independent external auditor under *Government Auditing Standards* due to statutory safeguards that require the City Auditor to report directly to Council, the City's governing body, through the Audit Committee.

The Audit Department team members selected for this project did not have any conflict of interest related to the project's subject matter.

ACKNOWLEDGEMENT

The Audit Department wants to extend its appreciation to all of the stakeholders who participated in this project.



March 17, 2021

Bryan Mansky, CPA, CMA, MBA, CIA
City Auditor

Date

OVERVIEW

1.1 What is a Business Improvement Zone?

- A BIZ is a community of businesses that have come together, with the support of a municipality, to finance, implement and oversee initiatives intended to promote economic activity, improve infrastructure and safety, and advocate on behalf of the associated businesses.
- BIZ activities are intended to enhance municipal services and activities. Through this partnership, outcomes produced provide benefit to area businesses, community residents, and the City by fostering growth and sustainability.
- BIZ are partners with a municipality, as each organization contributes to meeting shared objectives; however, BIZ are independent partners that are self-governed and funded primarily with a self-imposed levy based on the needs of a council approved budget.
- Generally, business improvement zones have similar objectives, but there are different names for these types of associations. For example:
    - Business Improvement Zone (BIZ)
    - Business Improvement Area (BIA)
    - Business Improvement District (BID)
- The first BIZ was established in Toronto, when the Province passed enabling legislation in 1970. Today, BIZs are found in communities throughout the world.
- In Canada, a municipality, under the delegated authority of provincial legislation, designates a business improvement zone. Traditionally, a municipality will designate boundaries of a zone based on a geographic area.

1.2 Winnipeg's Business Improvement Zones

- The first two BIZs in Winnipeg, the Downtown Winnipeg BIZ and Exchange District BIZ, were established simultaneously in 1989. During our period of review, there were a total of 16 BIZs in the City. See Appendix 3 for a summary of City BIZ.
- The *City of Winnipeg Charter* Act delegates authority to Council to establish a BIZ, and provide oversight of a BIZ board of directors.
- Council has delegated authority to a board of directors, by by-law, to provide strategic direction and oversight of BIZ operations.
- BIZ in Winnipeg are primarily funded by a self-imposed levy on members. Council approves the BIZ levy, also known as the BIZ tax, annually. Collection and distribution of this levy revenue is performed by the City's Public Service.
- Many BIZ associations in Winnipeg supplement their levy revenue with events, sponsorships and grant funding for specific projects.
- Each BIZ determine and prioritize activities, but the *BIZ Procedures By-Law* defines the overall objectives of each BIZ association:
    - To beautify, improve, maintain real property of the City in the zone subject to the authorization by Council, and;
    - To promote improvements and economic development in the zone.

1.3 Procedures

Review procedures focused on four areas: review of legislation and by-laws, review and inventory of support/guidance provided, research and comparison of BIZ models in other jurisdictions, and meetings with City Councillors, the Public Service, and a sample of BIZ representatives.

In our research of Canadian jurisdictions we found that legislation and by-laws outlined the processes/practices that characterize operations and the relationship between the municipality and BIZ associations. We selected key provisions in legislation and by-laws that shape the Winnipeg BIZ model to use as a basis for comparison. Selection of these provisions was based on significance to BIZ model operations, relationship with the City, and discussions with stakeholders. We selected BIZ models in Calgary, Edmonton, Regina and Toronto to compare with the Winnipeg BIZ model.

Further details on how we determined what aspects to compare, the sample of cities used for comparison, and the stakeholders we met with are located in Appendix 4.

OBSERVATIONS

2.1 Summary of key comparison observations

- We found that, generally, the characteristics of each BIZ model was similar across comparator cities. The following chart briefly summarizes what was reviewed and what was observed. Further details of our observations are outlined in the following sections of the Report.
- We found that the majority of these characteristics are defined by *BIZ Procedures By-Law*, and may be adjusted by Council. Sources of authority for BIZ model characteristics are outlined in Appendix 2.

Legislative and By-law requirements	
Applicable legislation and by-laws	The combination of legislation and by-laws applicable to BIZ are similar in all comparator cities.
Updates to BIZ By-Law(s)	The *BIZ Procedures By-Law* was most recently updated in 2003, while BIZ by-laws in comparator cities have been updated within the previous 4 years.
Establishing a BIZ	Process requirements to establish a BIZ in Winnipeg are generally aligned with comparator cities, but Winnipeg requires a higher threshold of support than Calgary, Edmonton and Regina.
BIZ boundaries	Winnipeg, Calgary, Edmonton and Toronto had a defined process for establishing or amending a BIZ boundary. None of the cities reviewed had established a process to merge BIZs.
Authority and requirements of BIZ board	Core principles of authority delegated to a BIZ board are similar across all comparator cities. Toronto had additional requirements related to a board's authority.
BIZ board composition	Board composition is defined by a council in all comparator cities. Only Winnipeg and Toronto required a specific number of board members. Councillors may be appointed to a BIZ board in Calgary and Edmonton, but in practice they were not.
BIZ board submission and accountability	Minimum board submission requirements are the same across all comparator cities. Edmonton, Regina, and Toronto require additional BIZ board submissions.
BIZ budget process	Key steps in the BIZ annual budget approval process are similar across all comparator cities. Toronto required additional information to be submitted with a proposed budget.
BIZ levy	The process of approving, and collecting the BIZ levy is similar across all comparator cities; however, there is variation in the tax assessment used to determine a levy, the application of a levy within a zone, and the schedule of levy payments back to BIZs.
BIZ supports	
BIZ Liaison role	Winnipeg, Calgary and Edmonton have a similar ratio of liaison-type staff per number of BIZ. In all comparator cities, compensation for liaison-type staff is paid entirely by the city.
Other BIZ support roles	Each of the comparator cities employ similar types of support staff to process BIZ submissions, levy collections and levy payments.
Accessible support and guidance materials	The City's support and guidance materials for BIZ is minimal in comparison to Calgary, Edmonton, and Toronto.
BIZ insurance	Winnipeg, Edmonton and Toronto provide each BIZ with insurance through its core insurance program.

2.2 Legislation and By-Laws

Provincial legislation delegates authority to a municipal council to create a business improvement zone by by-law. Key provisions in the combination of legislation and a by-law(s) determine characteristics of a BIZ model.

2.2.1 Applicable Legislation and By-Law(s)

Observation

- The Winnipeg BIZ model is framed by a combination of the *City of Winnipeg Charter* Act, the *BIZ Procedures By-Law*, and a by-law that establishes each individual zone.
- BIZ models in comparator cities are also framed by a combination of provincial legislation, regulation, municipal code, and by-laws. See Appendix 5 for list of applicable legislation and by-laws.
- Key provisions in the *City of Winnipeg Charter* Act and the *BIZ Procedures By-Law* have resulted in similar BIZ model characteristics amongst comparator cities.

Analysis

- We found similar combinations of legislation, regulation and municipal by-laws frame BIZ models in comparator cities, with notable exceptions, including:
    - In addition to applicable legislation and by-laws, the City of Toronto had a Municipal Code that defined processes, requirements and responsibilities that applied to all BIAs. We did not find the use of a municipal code in comparator cities, including Winnipeg.
    - The City of Edmonton had a City Policy that outlined additional process details for the establishment, operations, and disestablishment of a BIZ. We did not find formal BIZ policies in comparator cities, including Winnipeg.
- We found that, generally, key provisions in the *City of Winnipeg Charter Act* and the *BIZ Procedures By-Law* have resulted in similar BIZ model characteristics amongst comparator cities, including:
    - Provincial legislation delegates authority to a municipal council to establish a BIZ by by-law;
    - Business owners are required to get sufficient support from area businesses and approach the city to consider creating a new zone;
    - Once sufficient support is obtained, a council will pass a minimum of one by-law that establishes a BIZ;
    - Once a BIZ is established, a board is elected to govern the organization;
    - Each BIZ is required to make submissions to the city, including a proposed annual budget that must be approved by council;
    - The city determines a tax levy sufficient to raise the amount required by an approved budget, and then applies, collects and distributes funds back to a BIZ association.

- BIZ in each city are required to work towards meeting similar objectives, including improving local infrastructure and safety, clean-up and graffiti removal, and promoting economic activity within the zone.

2.2.2 Updates to Business Improvement Zone By-Laws

Observation

- We found the most recent update to the BIZ Procedures By-Law occurred in 2003. BIZ by-laws in comparator cities have been updated between 2017 and 2019.

Analysis

- The *BIZ Procedures By-Law* provides detail on key provisions that shape the Winnipeg BIZ model, including:
  - The requirements for establishing a BIZ;
  - Minimum board governance practices, such as meeting frequency, quorum, member eligibility, and term length;
  - The process for BIZ budget approval, levy collection, and payments to BIZ associations.
- Review provides an opportunity for Council to engage and collaborate with stakeholders, and if necessary, amend a by-law to ensure it continues to meet the needs of the BIZ associations, City Council and the Public Service.
- Comparatively, the BIZ by-laws in Calgary, Edmonton, Regina and Toronto have all been updated more recently.

Most recent BIZ by-law update	
Winnipeg	2003
Calgary	2017
Edmonton	2018
Regina	2018
Toronto	2019

2.2.3 Establishing a Business Improvement Zone

Observation

- The process and requirements to establish a BIZ in Winnipeg are defined in the *BIZ Procedures By-Law*. Comparator cities did not define these in a by-law.
- The concept of establishing a BIZ are similar in all jurisdictions reviewed; area businesses are required to obtain sufficient support and petition council to establish a zone by by-law. However, we found some variation in the percentage of support needed and unique process steps for establishing a BIZ in comparator cities. A full description of each comparator city's requirements to establish a BIZ
- We heard opinions that requirements for establishing a BIZ in Winnipeg are too difficult to meet. We found that, despite some variation, requirements to establish a BIZ in Winnipeg were generally aligned with comparator cities; the Winnipeg model requires a higher threshold of support than Calgary, Edmonton and Regina, but it is similar to the support required in Toronto.

Analysis

- The *City of Winnipeg Charter* Act requires that a process and an amount of support required to establish a zone be defined by by-law. Council has defined these in the *BIZ Procedures By-Law.*
    - We noted that as the process and requirements for establishing a BIZ are defined by by-law, Council has authority to amend if necessary.
- Winnipeg was the only comparator city to define a process and requirements to establish a BIZ in a by-law. We found:
    - Calgary and Edmonton's are defined in a provincial regulation;
    - Toronto's is defined in a municipal code;
    - Regina did not define establishing processes in legislation, regulation or by-law. Instead, legislation included a single requirement to ensure those affected by a proposed zone had an opportunity to address a City council.
- Key concepts for establishing a BIZ are similar to those observed in comparator cities; area businesses are required to obtain sufficient support and petition council to establish a zone by by-law.
    - We noted that the *BIZ Procedures By-Law* requires the support of more than 50% of proprietors in a proposed zone that also represent more than 50% of the total taxable business assessment in the proposed area. Winnipeg was the only comparator city to require consideration of both the percentage of support required and the percentage of the taxable assessment represented in the proposal.
    - A comprehensive description of processes and requirements for establishing a BIZ in each comparator city are included in Appendix 6

- We found variances in the thresholds of support required to establish a BIZ.

	% of support to create a BIZ	% of opposed to BIZ creation
Winnipeg	>50%	<33%
Calgary	>25%	<50%
Edmonton	>25%	<50%
Regina[1]	N/A	N/A
Toronto	1st vote >50% 2nd vote >30% of min 100 ballots received, or >50% support	>50% at public consultation 2nd vote <30% of min 100 ballots received, or >50% opposed

- During our stakeholder interviews we heard opinions that the requirements for establishing a BIZ in Winnipeg are too difficult to meet, and present a significant challenge to starting a new BIZ. Some who expressed this opinion also noted that the requirements to establish a BIZ in Winnipeg are more difficult to meet than those in other cities.

- We found that process requirements to establish a BIZ in Winnipeg were generally aligned with comparator cities; the Winnipeg model requires a higher threshold of support than Calgary, Edmonton and Regina, but it is similar to the support required in Toronto.

    - Given that requirements to establish a BIZ in Winnipeg are defined by by-law, Council has the authority to engage and collaborate with stakeholders, and if necessary, amend the by-law to ensure it continues to meet the needs of the BIZ associations, City Council and the Public Service.

    - We note that a lower threshold of support may encourage the establishment of additional zones, but without meaningful support from a community of affected businesses, a new BIZ may not be positioned to succeed.

2.2.4 BIZ Boundaries

Observation

- Council has the delegated authority to define a process and requirements for establishing a boundary, and for adjusting a boundary. These are defined in the *BIZ Procedures By-Law*, and the boundary of each BIZ is defined in a by-law to establish a BIZ.

- In the BIZ models of comparator cities, we found that a council has defined zone boundaries, by by-law; however,

[1] The Cities Act delegates authority to a council to establish a BID by by-law. Neither BID By-Law includes a process and/or support requirements to establish a BID.

- Not all BIZ models defined a process to establish and/or adjust a boundary, and not all councils had the authority to define a boundary adjustment process.

- We found that the Winnipeg BIZ model did not include a provision to enable merger of zones. This was common amongst all comparator cities.

Analysis

- The *City of Winnipeg Charter* Act delegates authority to a council to establish, by by-law, the criteria to be considered in setting boundaries of zones, and the process by which a zone may have its boundaries altered.

  - Council has defined these in the *BIZ Procedures By-Law*. Current boundaries of each BIZ are defined in the by-law to establish a BIZ.

  - Council may expand a zone if the same procedures and requirements to establish have been met. Council may reduce a zone if more than 50% of area businesses support the proposal and no more than one-third object.

- We found that a council has defined a BIZ's boundaries, by by-law, in all comparator cities; however, we found differences in the delegated authority to a council to define a process and requirements to set those boundaries, including:

  - In the Calgary and Edmonton BIA models, the process to establish and to adjust zone boundaries have been defined by the Province in the BIA Regulation[1];

  - We did not observe a defined process and/or requirements to set and/or adjust a BID boundary in Regina. These considerations were not defined in legislation, regulation or by-law.

- We found different approaches for boundary adjustment amongst BIZ models in comparator cities, including provisions to adjust boundaries and a council's authority to define a boundary adjustment process

	Provision to adjust a boundary	**Council authorized to define boundary adjustment process**
Winnipeg	✓	✓
Calgary	✓	×
Edmonton	✓	×
Regina	×	×
Toronto	✓	✓

[1] In addition to the Provincial Regulation, City of Edmonton BIA Policy includes further process steps and requirements to adjust a BIA boundary;

- We heard opinions that the Winnipeg BIZ model should include a provision(s) that allow BIZs to merge. Suggestions included having a process developed to define authorities and enable two sets of BIZ boards of directors to vote on merging.
    - Each of the BIZ models reviewed did not include a provision to merge zones in legislation, regulation, municipal code, or by-law.
    - We note that existing processes for disestablishment of a zone and another for adjustment of zones could be considered to enable zone mergers in the Winnipeg BIZ model. Alternatively, Council has the authority to define a process for amalgamating BIZs by by-law.

2.2.5 Authority and Requirements of a BIZ Board of Directors

Observation

- We found that core principles of authority delegated to a BIZ board are similar across BIZ models; boards are limited to expending funds and incurring debt only if approved by a council, board members do not receive remuneration, and aside from minimum requirements for board activities, BIZ boards are expected to establish their own governance practices.
- We noted additional requirements framing the scope of a BIA board's authority in the Toronto BIA model, including required policies, defined duties, and council approval of each BIA's internal by-laws. We did not observe similar conditions on the scope of authority in other BIZ models, including Winnipeg.

Analysis

- We found common principles of the authority of a board of directors across the BIZ models reviewed, including:
    - Each BIZ may only spend an amount approved by a council;
    - Each BIZ must not incur debt beyond a fiscal year, unless approved by a council;
    - Each BIZ must not remunerate board members;
    - Legislation, regulation, municipal code, and/or by-law define minimum governance practice requirements in each BIZ model. BIZ boards are authorized to develop and implement all other organizational rules and procedures that are not inconsistent with those defined in legislation, regulation, code, or by-law.

	Expenditures limited to approved budget amount	Debt limited to approved budget amount	Board member remuneration	Minimum requirements in legislation/by-laws
Winnipeg[1]	✓	✓	×	Meeting frequency, voting, minutes, e-participation, quorum, & AGM.
Calgary[2]	✓	✓	×	Maintenance of financial records and minutes;
Edmonton	✓	✓	×	Maintenance of financial records and minutes;
Regina[3]	✓	✓	×	Quorum, minutes, records of operations, accounting and banking acceptable to City;
Toronto[4]	✓	✓	×	Meeting frequency, voting, minutes, e-participation, quorum, AGM, and duties of officers; Board must have policies for procurement/hiring; Banking & business practices acceptable to the City;[5]

- *Toronto Municipal Code, Chapter 19* included notable governance requirements not found in the BIZ models in comparator cities:
    - Each City-affiliated board, including BIAs, must adopt policies for procurement and for hiring of employees, as required by the *City of Toronto Act*;
    - Defined duties for each BIA board officer role;
    - The City's Governance Policy requires Council to approve all by-laws that regulate the internal conduct of the business and affairs of a City agency, including each BIA board.

[1] Winnipeg BIZs may carry forward and expend surplus funds in subsequent fiscal years.
[2] Calgary and Edmonton BIAs may not incur debt without council approval; this requirement is not specifically tied to budget approval.
[3] Regina BIDs must receive budget approval or other council approval prior to expenditure of funds. BIDs may carry forward and expend surplus funds in subsequent years. BIDs may not incur debt without council approval; this requirement is not specifically tied to budget approval.
[4] Toronto BIAs may only make an expenditure if included in council approved budget, or in a reserve fund. BIAs may spend unexpected revenue if reported at an AGM and in audited financial statement. BIAs may not incur debt beyond fiscal year without council approval; this requirement not specifically tied to budget approval. BIAs must not borrow or lend money.
[5] Toronto City Council must also approve the internal BIA board by-laws that govern conduct.

2.2.6 BIZ Board Composition

Observation

- We found eligibility for board appointments, board member terms, and board size have been defined in the combination of the *BIZ Procedures By-Law* and each BIZ establishing by-law.
    - We found that board composition was defined in a by-law or municipal code in BIZ models of comparator cities.
- We noted variations in the board composition requirements amongst BIZ models of comparator cities. Notable examples include:
    - Calgary, Edmonton and Regina BIZ boards may include individuals from outside a zone, who have been nominated and elected by a BIZ member;
    - BIA boards in Calgary and Edmonton may include a city councillor, but the practice was that a councillor was not appointed to a BIA board;
    - Each Winnipeg BIZ board was required to have a specific number of board members. This was observed in the Toronto BIZ model, but not in any of the other comparator cities.
- We found themes related to board composition in the opinions of stakeholders we met, including:
    - Concerns with the requirement for a specific number of members on each BIZ board;
    - A consensus that a councillor serving as a BIZ board member is valued and appreciated, but because their role is not defined, there are differing levels of influence and engagement. A slim majority preferred the role be left undefined and left to the discretion of each councillor.
    - Concerns that councillors serving on multiple BIZ boards may result in unreasonable additional workload and responsibility;
    - Differing opinions on the use of proxies at board meetings;

Analysis

- We found that a council defines BIZ board composition, by by-law, in Winnipeg, Calgary, Edmonton and Regina; BIZ board composition is defined by a council in a municipal code in Toronto.
    - Provincial legislation and/or regulation defined eligibility for a councillor to serve on a BIZ board in Winnipeg, Calgary and Edmonton. Councillor eligibility is defined by by-law in Regina, and by municipal code in Toronto.

- We found variation in specific requirements for board composition, including:
    - Calgary, Edmonton, and Regina permitted individuals from outside a zone, who have been nominated and elected by a BIZ member, to serve as a BIZ board member;
    - Winnipeg, Regina and Toronto required a city councillor to be appointed to a BIZ board; this was optional in Calgary and Edmonton, and the practice was that a councillor was not appointed;
    - Only the Winnipeg and Toronto BIZ models required a specific number of board members on each board.

	Board member eligibility	**Councillor as board member**	**Term length & term limits**	**Board size**
Winnipeg	Owner, director, or employee; Must include one member of council	A councillor must be appointed; practice is area councillor appointed to board	2 year term; Max 3 consecutive terms	Varies across zones from 5 to 16; Set number required
Calgary	Individuals nominated by taxpayers in zone; Councillor may be appointed	Councillor may be appointed; practice is to not have councillor on board	1 to 3 year terms; Term limit not defined	Varies across zones; Each board has min and max, or max # of members
Edmonton	Individuals nominated by taxpayers in zone; Councillor may be appointed	Councillor may be appointed; practice is to not have councillor on board	1 year term; No term limit	Max of 15 on each board
Regina	Employed in district, or eligible municipal voter; Must include one member of council	Area councillor must be appointed	2 & 3 year terms; 3 & 4 consecutive terms[1]	Varies across zones; Each board has max # of members
Toronto	BIA members or their representatives; Must include council member with BIA in ward	Area councillor must be appointed; if BIA spans multiple zones, then each area councillor appointed	term is aligned with term of councillor on board; No term limit	Varies across zones; Set number required

[1] Each of Regina's two BIDs have defined term length and term limits differently.

- In meetings with stakeholders, we heard opinions that the requirement for a specific number of board members was a challenge that limited the ability for a BIZ board to recruit for diversity and specific qualifications. All who expressed these opinions noted a need for improved flexibility in how a BIZ board membership is maintained.
    - We found that the size of a board varied in each of the BIZ models reviewed; however, only the Winnipeg and Toronto BIZ models required a specific number of members on each board. We did not find rationale for how the size of a BIZ board was determined in any of the BIZ models.
    - We noted that the number of board members has been determined by Council and is defined in each BIZ establishing by-law.
- We heard a consensus that a councillor serving as a BIZ board member is valued and appreciated. Many we met noted that a councillor can offer unique insight and perspectives, and contribute to a collaborative relationship between area businesses and the City. We also heard that a councillor can represent area residents who don't have a formal voice in BIZ decision-making processes, but may be affected by BIZ initiatives.
    - A councillor supports each BIZ with their participation on the board of directors. However, we heard of differing levels of engagement and influence. We found that the role of a councillor as a member of a BIZ board is not defined, and each have approached this role based on their judgement of how to contribute.
    - We found that the role of a councillor on a BIZ board in Calgary, Edmonton, Regina and Toronto is not publicly defined.
- We heard differing opinions regarding a need to define the role of the councillor as a member of a BIZ board, but a slim majority suggested that role definition should be left to the discretion of each councillor. Some of the comments we heard included:
    - Council should not establish rules or requirements, but should communicate the role of a councillor to each BIZ board;
    - New councillors should be provided with an orientation to the role;
    - Council should define a framework of principles for guidance and consistency;
- We heard some suggest that the practice of appointing a councillor to multiple BIZ boards was concerning. Some noted that a councillor serving on multiple BIZ boards could affect the level of engagement and commitment to specific needs and challenges of individual BIZs.
    - We noted that the *City of Winnipeg Charter Act* requires that each BIZ board include one councillor; neither the Act, nor by-laws require a specific councillor to serve on a specific BIZ board. As the appointment of a councillor to a BIZ board is defined by by-law, Council has authority to review and amend if necessary.

- We heard differing opinions regarding the use of proxies[1] at BIZ board meetings. Some expressed concern that potentially unqualified individuals could participate in board activities, while others did not have issue with the practice.
    - We noted that the use of proxies is not defined in legislation, or by-laws; however, the *BIZ Procedures By-Law* delegates authority to each board to establish its internal management procedures.

2.2.7 Board Submission & Accountability Requirements

Observation

- Each BIZ is required to submit a proposed annual budget, an audited annual financial statement and provide access to BIZ records.
    - These requirements are defined in the combination of the *City of Winnipeg Charter Act* and the *BIZ Procedures By-Law*.
- We found that each BIZ model in comparator cities required submission of a proposed budget for council approval, an annual audited statement, and access to BIZ records.
- We found additional submission requirements in the BIZ models of comparator cities. Notable examples include:
    - The City of Edmonton requires each BIA to submit a quarterly 'budget to actual' financial report to the City Manager.
    - The City of Toronto requires each BIA to submit an audited financial statement, all meeting minutes, evidence of adopted procedures outlined in the *Municipal Code, Chapter 19,* and evidence of adopted policies for procurement and hiring before a proposed budget is approved.

Analysis

- We found that each BIZ model included provisions in legislation and/or by-laws requiring BIZ submissions to the city, and city access to BIZ records. Key similarities include a requirement to submit an annual audited financial statements, a proposed annual budget for council approval, and access to BIZ records.
    - The *City of Winnipeg Charter Act* defines the requirement to submit a proposed budget for approval, an annual audited financial statement, and an annual report of BIZ board activities. The *BIZ Procedures By-Law* defines the requirement that the City Auditor have access to all BIZ records.
    - BIZ submission and accountability requirements are defined in combinations of legislation, regulation, municipal code and by-laws in each of the comparator cities.

[1] For this Report, a proxy is defined as an individual with the authority to represent and vote on behalf of an appointed board member.

	Proposed annual budget	Annual audited financial statement	Annual Report	Access to BIZ records
Winnipeg	✓	✓	✓	✓
Calgary	✓	✓	×[1]	✓[2]
Edmonton	✓	✓	✓	✓
Regina	✓	✓	✓	✓[3]
Toronto	✓	✓	×	✓[4]

- We observed additional submission and accountability requirements in the BIZ models of comparator cities, including:
    - The City of Edmonton requires each BIA to submit a quarterly 'budget to actual' financial report to the City Manager;
    - The City of Toronto requires each BIA to submit an audited financial statement, all meeting minutes, evidence of adopted procedures outlined in the Municipal Code, and evidence of adopted policies for procurement and hiring before a proposed budget is approved;
    - The City of Toronto requires meeting minutes and board approved financial statement to be submitted after each board meeting;
    - The City of Regina requires one of the two BIDs to submit board approved meeting minutes to the City Clerk after each meeting.

2.2.8 BIZ Budget Process

Observation

- The *City of Winnipeg Charter Act* delegates authority to council to develop the process for the annual BIZ budget approval. The budget approval process is defined in the *BIZ Procedures By-Law.*
    - The BIZ budget approval process is defined in a provincial regulation, municipal code, and/or a by-law in the BIZ models of each comparator city.
- We found that key steps in the BIZ annual budget approval process are similar across all comparator cities; a BIZ is required to submit a member-approved budget for council approval, and once approved, the city determines a levy rate, collects and distributes back to a BIZ board.
- We noted the Toronto BIZ model included an additional budget process requirement not observed in comparator cities, including Winnipeg.

[1] The BIA Regulation and BIA establishing by-laws do not require an annual report to be submitted; however, some BIA's have internal operating by-laws and guidelines requiring an annual report to be submitted with the annual audited financial statement.
[2] There is no requirement that the City have access, but a board-appointed auditor is entitled to access all of a BIA's records.
[3] Each BID board is require to use and pay for the services of the City Auditor (role of City Auditor is outsourced) in accordance with the Cities Act.
[4] There is no requirement that the City have access, but a board-appointed auditor is entitled to access all of a BIA's records.

- The City of Toronto requires each BIA to submit an audited financial statement, all meeting minutes, evidence of adopted procedures outlined in the Municipal Code, and evidence of adopted policies for procurement and hiring before a proposed budget is approved[1].

- Many stakeholders we met expressed frustrations related to the timing and pace of the BIZ budget approval process.

Analysis

- The BIZ budget approval process in Winnipeg is similar to those in Calgary, Edmonton, Regina, and Toronto. Key steps of the process include:
  - A BIZ is required to develop and submit a member approved budget proposal to city council for approval;
  - Once approved, the city determines a tax rate for each zone. The rate of tax is intended to generate the amount required for a council approved BIZ budget;
  - The city collects the BIZ tax on behalf of a BIZ, and distributes the collected funds back to a BIZ in a single payment, or payments over the course of a year[2];
  - A BIZ is not permitted to expend beyond the approved budget, or incur debt beyond the fiscal year without council approval. However, a BIZ may carry forward unused funds from a council approved budget to use the following fiscal year.

- We found additional requirements in City of Toronto *Municipal Code, Chapter 19*. Before approval of a BIA budget, and a BIA tax rate, each BIA is required to submit:
  - All BIA meeting minutes;
  - Annual audited financial statement;
  - Evidence that a board has adopted required procedures outlined in the Municipal Code, including rules for a BIA board, duties of board officers, e-participation in meetings, voting and annual general meeting agenda requirements;
  - Evidence that a board has adopted policies for procurement and hiring, as required by the *City of Toronto Act*.

[1] In the event that a BIA board receives written notification from the auditor of the BIA, identifying internal control and/or other financial issues, the board must also submit a letter to the City indicating how and when the board intends to address the issues identified in the notice, before a council approves a proposed BIA budget.
[2] Distribution of collected levies is address in the following section, *BIZ Levy*.

- Many of the BIZ representatives we met expressed frustrations related to the timing and pace of the BIZ budget approval process. Each of these representatives suggested that the processes for budget approval, calculation of the BIZ tax rate, and distribution of collected BIZ taxes are not sufficiently meeting the needs of the BIZ. The most common concern we heard was:
    - The *BIZ Procedures By-Law* requires a BIZ to hold an annual general meeting within the last 6 months of a year. A BIZ must then submit its member approved budget proposal to Council for approval within 90 days of its AGM. However, Council does not approve BIZ budgets until the following spring, and the first payment to a BIZ is scheduled for June. The period between budget development and the approval/payment results in months of budget related uncertainty, thus limiting the responsiveness of a BIZ to its members.
- We noted that the *City of Winnipeg Charter Act* delegates authority to Council to determine the BIZ budget approval process by by-law. This process is defined in the *BIZ Procedures By-Law.*

2.2.9 BIZ Levy

Observation

- The *City of Winnipeg Charter Act* delegates authority to Council to impose a uniform levy rate on each business within a zone, based on a business assessment of each business. Business assessments are used to determine an annual average rental value of a zone, which form a basis to calculate each zone's annual BIZ levy rate.
    - The *City of Winnipeg Charter Act* defines the BIZ levy as a business tax, to be collected in the same manner and with the same priorities as business taxes.
    - The *BIZ Procedures By-Law* defines the budget approval process, which includes the approval of an annual BIZ levy, and the schedule of levy payments back to a BIZ association.
- We found that the process of approving, collecting, and payment of the BIZ levy is similar across BIZ models reviewed; however, we noted differences in the assessment used to determine a levy, the application of a levy within a zone, and the schedule of payments.
- We noted that the City of Toronto requires that the annual audited financial statement and a BIA board's response to an audit management letter be submitted prior to payment of the collected levies. We did not observe similar conditions for a city's payment of levies in the BIZ models of comparator cities, including Winnipeg.
    - We noted the Winnipeg 2019 by-law to approve BIZ budgets and levy rates included a requirement that an appropriate member of the Public Service ensure each BIZ board was compliant with requirements prior to payment of levies to a BIZ. This requirement was not included in the 2020 by-law to approve BIZ budget and levy rates.

- We heard concerns about how the levy is determined and applied, including:
    - Business assessments used to determine annual rental value do not include all recipients of BIZ services;
    - The pace of ongoing assessments do not match the pace of change in a zone.

Analysis

- The *City of Winnipeg Charter Act* requires that the BIZ levy be based on a business assessment that is used to determine an annual rental value, and that levies are to be collected in the same manner as business taxes.
- Council has determined the schedule of levy payments back to each BIZ. This is defined in the *BIZ Procedures By-Law*. The schedule of levy payments is described on the chart below.
- We found that the process of approving, collecting, and payment of the BIZ levy is similar across BIZ models reviewed:
    - Once a city council has approved an annual BIZ budget, city staff determine a levy rate sufficient to generate the amount required in each zone's approved budget;
    - The proposed levy rate is sent to city council for approval by by-law;
    - Once approved, the city applies and collects the levy in tandem with other municipal taxes;
    - The city distributes the collected levies back to the zones. Payment of the levies may occur as a lump sum or in instalments over the course of a year.[1]
- We found the Toronto BIZ model included additional requirements related to payment of the BIZ tax collected; before payment of the amount generated by the tax, each BIZ is required to submit:
    - The annual audited financial statement;
    - A letter from the board indicating how and when the board intends to address issues identified in any management letter prepared by its auditor.
- We noted that *City of Winnipeg By-Law No. 21/2019* to approve BIZ budgets and BIZ levies included a requirement that an appropriate member of the Public Service ensure each BIZ board is compliant with applicable by-laws before payment of levy funds. This requirement was not included in *City of Winnipeg By-Law No. 30/2020* approving BIZ budgets and BIZ levies.
- We found that while the process for approving, collecting, and payment of the BIZ levy is similar, there are differences in the assessment used to determine a levy, the application of a levy within a zone, and the schedule of payments.

[1] Applicable legislation and by-laws for the City of Regina BID model do not include a schedule of levy payments back to each BID.

	Type of assessment	Application of tax	Payment schedule
Winnipeg	Business	Uniform	75% of zone levy on June 30 15% of zone levy of August 31 10% of zone levy on October 31
Calgary	Business	Uniform or different rates; May impose min/max amount	Lump sum payment once Council has approved budget/levy rate
Edmonton	Business	Uniform or different rates; May impose min/max amount	25% of zone levy in January 25% of zone levy in April 25% of zone levy in July 25% of zone levy in October
Regina	Property	Uniform	Monthly payments once Council has approved budget/levy rate
Toronto	Property	Uniform or different rates; May impose min/max amount	50% once Council has approved budget 50% no later than September 30

- We heard concerns regarding the *City of Winnipeg Charter Act* requirement that the BIZ tax be based on a business assessment, and collected in the same manner as business taxes, including:
    - Some occupants within a zone, such as not-for-profit organizations, property leasing organizations operating from other jurisdictions, and community residents are excluded from the requirement to pay a BIZ tax, but receive BIZ services, such as graffiti removal and sidewalk snow removal;
    - Ongoing business assessments, used to determine an annual rental value, which forms the basis of how the BIZ levy is calculated, do not match the speed of change in a BIZ; new and departed businesses are not accounted for quick enough. Thus, when assessments are completed and tax amount collected is reconciled with the tax amount paid back to BIZ, there can be unexpected impacts to a BIZ annual budget.
- We noted that Council has previously committed to gradual elimination of the City of Winnipeg business tax. Elimination of the business tax may impair calculation and collection of the BIZ levy unless the *City of Winnipeg Charter Act* is amended;
- We found that the Calgary and Edmonton BIA models base the levy calculation on a business assessment, similar to the Winnipeg BIZ model; however, Calgary and Edmonton perform business assessments despite a lack of a business tax.

2.3 City Supports and Guidance

Each BIZ model operates as required by provisions in a combination of legislation, regulations and by-laws. As such, governments have a role in creating and supporting an environment that promotes the ability to meet those requirements. We identified and compared City supports and guidance made accessible to BIZ.

2.3.1 BIZ Liaison Role

Observation

- The City employs one full-time Neighbourhood Economic Development Officer in the role of a liaison between the City and the zones. This position has become known as the BIZ Liaison. Role and responsibilities of the position are defined in a 2003 job posting.
- Winnipeg, Calgary and Edmonton had a similar ratio of liaison-type staff per number of zones; Toronto had a higher ratio of liaison-type staff per number of zones; Regina had two staff that worked with the City's two BIDs on an as needed basis.
- We heard a consensus regarding the importance and perceived value of the BIZ Liaison role, but many we met also expressed concerns about a City proposal to share the compensation costs of the position with BIZ associations.
    - We found that compensation costs of liaison-type staff are paid by the city in each of the BIZ models reviewed.

Analysis

- We found that the role and responsibilities of the BIZ Liaison role are defined in a 2003 job posting for a Neighbourhood Economic Development Officer position. While the role has evolved, we found that many of the duties and responsibilities outlined in the job posting continued to be the primary activities of the position. Key duties included:
    - Provide assistance to BIZ boards and committees with the development and approval by Council (where required) of strategic plans, programs, bylaws and budgets.
    - Act as a resource to BIZ committees and as a liaison between BIZ Boards and City Departments.
    - Monitor, evaluate and report on the effectiveness of neighbourhood economic development programs and procedures and recommend changes where appropriate.

- We found that comparator cities employed a range in the number of staff in a similar, liaison-type of role.

	# of BIZ	# of City staff	Ratio of City staff to zones	Compensation funded by City
Winnipeg	16	1	.06	✓
Calgary	15	1	.07	✓
Edmonton	13	1	.08	✓
Regina	2	2 w/shared duties, as part of larger set of responsibilities	N/A[1]	✓
Toronto	83	10	.12	✓

- We heard a consensus regarding the importance and perceived value of the BIZ Liaison role. Many noted that the role adds value to a BIZ by sharing knowledge about City processes, City department responsibilities, and through activities related to preparation of submissions to the City.

- In 2019, the Public Service proposed an arrangement to have each Winnipeg BIZ share a portion of the compensation costs of the BIZ Liaison role. Under the proposal, each BIZ would contribute an amount based on a percentage of the adjusted annual rental value of a zone.

    - At the time of this review, compensation for the BIZ Liaison position was funded entirely by the City of Winnipeg.

    - We found that compensation costs for city employees with BIZ responsibilities are funded entirely by the city in Calgary, Edmonton, Regina and Toronto.

- We heard concerns about the proposal to have BIZ associations share compensation costs of the BIZ Liaison role. Many expressed concern that the proposal has communicated a message that the City undervalues the collaborative relationship with BIZ and the achievements of zones. Specific concerns included:

    - A lack of sufficient consultation and collaboration for a funding formula;

    - A lack of clarity for how the proposed change would affect the role, responsibilities and reporting relationships of the position;

    - Uncertainty regarding how the resource would be shared amongst all BIZ;

    - A potential shifting of responsibilities to other City employees as BIZ continue to interact with City departments.

[1] Two City of Regina staff have shared duties related to BIDs, as part of a broader set of responsibilities not directly related to BIDs. As such, we are unable to calculate a ratio of city liaison-type staff to the number of BIDs.

2.3.2 Other BIZ Support Roles

Observation

- We noted that numerous City departments interact with BIZ associations with activities related to information sharing, application processing, and required approvals for local improvements.
    - We did not perform further review of these activities. This information is presented to provide additional insight on the City's BIZ model; our observations were limited to activities directly associated with supports related to processing and oversight of BIZ budgets and BIZ levies.
    - We did not review or compare BIZ support activities performed by staff in comparator cities.
- Key supports related to BIZ budget and BIZ levy processing included:
    - Office of the City Clerk confirming and processing budget submissions;
    - Planning, Property and Development Department (PP&D) reviewing submitted audited financial statements for compliance;
    - Assessment and Taxation Department calculating and collecting annual BIZ levies.
    - Risk Management Division collecting BIZ budget information as part of the City's process of renewing BIZ insurance coverage.
- In discussions, we heard stakeholders express general satisfaction with their interactions with the Public Service, but also perceptions that City departments have not been sufficiently coordinated in their interactions with BIZ.

Analysis

- The City dedicates resources, in addition to the liaison role, to perform BIZ supporting activities. Examples of these interactions include grant and permit processing, area signage, and event staging.
- We limited our scope of inquiry to the Public Service roles related to BIZ annual budgets and BIZ levies. We received information and supporting documents from the Public Service, but did not perform further verification activities. This information is presented to provide additional insight on the City's BIZ model.
- Each BIZ is required to submit an annual package of information that includes a budget proposal and audited financial statement to the Office of the City Clerk and PP&D. We observed supporting documents for the following processes:
    - The information received from each BIZ is confirmed and recorded on a tracking spreadsheet by the Office of the City Clerk. This procedure began in 2019, in part, as a response to a lack of a process associated with a BIZ audit investigation.

- The audited financial statement is reviewed for compliance with budget requirements by PP&D. This procedure began in 2019, in part, as a response to a lack of a process associated with a BIZ audit investigation.
- BIZ budget submissions are forwarded to Assessment and Taxation for calculation of the BIZ levy amount; once approved by Council, the levy is collected in tandem with the City's business tax.
- Each year, Assessment and Taxation performs a reconciliation of the BIZ levy amounts planned to be collected with the amount that was collected[1]. Surplus or deficit amounts of levies collected are addressed in the first levy payment to a BIZ in the following year;

- In discussions, we heard stakeholders express general satisfaction with their interactions with the Public Service, but also perceptions that City departments have not been sufficiently coordinated in their interactions with BIZ. Specific comments included:
  - There have been instances in which the BIZ was informing multiple departments of the same current initiatives;
  - A BIZ often receives requests for the same documentation from multiple departments over the course of a year, resulting in the BIZ dedicating resources to address an item multiple times.

2.3.3 Accessible Support and/or Guidance Materials

Observation

- We found minimal support and guidance content accessible on the City's website. Content identified included contact information for each BIZ, a link to the *BIZ Procedures By-Law*, a brief description of the BIZ levy, and a summary of key process steps to establish a new BIZ.
- We were provided with City-generated support and guidance materials that were distributed to BIZ associations on an annual basis, including a process summary for required submissions, a budget proposal template, and checklist of considerations and By-Law requirements for an annual general meeting.
- We found that the City websites of Calgary, Edmonton and Toronto had significantly more support and guidance materials that were accessible to BIAs. The City of Regina did not include support and guidance materials on its website[2].

[1] Differences in the amount of a levy planned to be collected and the amount that was collected is due to turnover of BIZ member businesses, and delinquency of the required levy payment.
[2] The City of Regina has 2 BIDs. We were informed that one of the BIDs was a mature organization, with a well-developed inventory of policies, procedures, templates and manuals. These materials have been shared with the newer BID when needed.

- Based on review of accessible supports in comparator cities, and discussions with stakeholders, we expect a series of additional support and guidance materials to be developed, and made accessible, in order to assist BIZ with governance and meeting their obligations. Specific examples include:
    - More comprehensive step-by-step guidance for prospective BIZ;
    - A high-level outline of roles and responsibilities for key participants;
    - An orientation to BIZ for new businesses and new board members, including City councillors;
    - Templates for all submissions required by the BIZ Procedures By-Law;
    - Templates or samples for BIZ policies such as procurement, recruitment and hiring;

Analysis

- We found that some support and guidance materials were accessible to BIZ on the City website, but the scope and depth of these materials were minimal in comparison with those found on the websites of comparator cities. Existing support and guidance available on the City's website included:
    - Contact information for each BIZ;
    - A link to the *BIZ Procedures By-Law*;
    - A brief description of the BIZ levy;
    - A summary of key process steps to establish a BIZ. This summary included contact information for the City's BIZ Liaison position.
- We found that some documents were not available on the City's website; instead, some support and guidance materials were distributed to a BIZ, on an annual basis to support compliance with the *BIZ Procedures By-Law*. These documents included a process summary for required submissions, a budget proposal template, and checklist of considerations and By-Law requirements for an annual general meeting.
- We found draft materials that were in various stages of development and not yet publicly available, including a manual for 'how to start a BIZ', and a sample manual for BIZ operations.

Summary Comparison Legend

✓	Comprehensive set of accessible information and/or materials.
O	Nominal set of accessible information and/or materials.
✗	No accessible information and/or materials.

	Info related to starting a BIZ	Info related to BIZ levy	Roles & responsibilities of participants	Guidance for board governance	Required submission templates	BIZ policy templates	Statistical data for zone
Winnipeg	O	O	✗	✗	✗	✗	✗
Calgary	✓	✓	✓	✓	✓	✓	✓
Edmonton	O	✓	✓	✓	✗	✓	✓
Regina	✗	✗	O	✗	✗	✗	✗
Toronto	✓	O	✓	✓	O	O	✗

- We heard varied opinions regarding a need for additional support and guidance materials made accessible to BIZ; some suggested that the bigger BIZ are relatively mature organizations that have the baseline support and guidance that the City could potentially provide. Others have suggested that additional support and guidance materials would be welcome by all BIZ, with each BIZ determining what could be helpful.
- Of those that suggested a need for additional support and guidance materials, many provided specific examples, including:
    - Detailed step-by-step guidance and contact information related to processes involving interactions with the City, such as BIZ start-ups and grant applications.
    - More comprehensive step-by-step guidance for prospective BIZ;
    - A high-level outline of roles and responsibilities for key participants;
    - An orientation to BIZ for new businesses and new board members, including City councillors;
    - A shared, secure website to communicate information and share documents;
    - Templates for all submissions required by the City;
    - Templates or samples of policies relating to board governance activities, procurement, and human resources.

RECOMMENDATION 1			
We recommend that the Director of Planning, Property and Development create, and make accessible, additional support and/or guidance materials. Based on observations of comparator cities and discussions with stakeholders, at minimum we expect development of a series of publicly available support documents, including: • *More comprehensive step-by-step guidance for prospective BIZ;* • *High-level roles and responsibilities for key participants;* • *An orientation to BIZ for new businesses and new board members, including City councillors;* • *Templates for all submissions required by the BIZ Procedures By-Law;* • *Templates or samples for BIZ policies such as procurement, recruitment and hiring;*			
RISK AREA	Business Process	**ASSESSMENT**	High
BASIS OF ASSESSMENT	Based on comparison with BIZ models of other Canadian municipalities, and feedback from stakeholders, the accessible support and guidance materials for the City's BIZ is insufficient.		
MANAGEMENT RESPONSE			

We fully concur with Recommendation 1.
 	
Immediate Plans, Quarter 2, 2021
• We have researched and created a new document: *How to Start a Business Improvement Zone in Winnipeg*. It is a plain language brochure that explains the requirements and steps involved in starting a new BIZ. We are making final edits and plan to post it on the BIZ website in approximately two weeks.
• Our current listing of the BIZ Zones and contacts will be made more robust with the addition individual BIZ Zone By-Law formation passed by Council, along with a current map of each BIZ Zone. We plan to post this expanded information on the website in approximately three to five weeks.
• Research is underway on a Governance Guideline Booklet targeted at BIZ Boards. It will describe key people, and roles and responsibilities of the BIZ Board Members. We plan to post this on the website in approximately six to eight weeks.
 	
Next Steps
• We plan to add the following information to the website in the months ahead:
  ○ Quarter 4, 2021: By-law year-end filing requirements, including the City BIZ Budget template
  ○ Quarter 4, 2021: Risk management filing templates
  ○ Quarter 3, 2021: Other relevant templates			

IMPLEMENTATION DATE	Quarter 4, 2021		

2.3.4 BIZ Insurance

Observation

- The City provides each BIZ with property, equipment breakdown and liability insurance through its core insurance program. Each BIZ board is strongly recommend to purchase worker's compensation insurance for their organization.
    - The estimated cost to include BIZ in the City's core insurance program for 2020/2021 is $59,000.
- The decision to include each BIZ in the City's core insurance program was made in 2001 by the Public Service. Council endorsed all historical practices with respect to insurance provided to BIZ in 2018.
- Insurance is not referenced in legislation, regulation, or by-laws in the BIZ models of Winnipeg, Calgary, Edmonton, and Regina.
    - Toronto *Municipal Code, Chapter 19* requires each BIA board to pay for coverage under the City's commercial general liability insurance policies and programs.

Analysis

- We inquired about the City's role in BIZ insurance coverage. We received information from the Public Service, but did not perform further verification activities. This information is presented to provide additional insight on the City's BIZ model.
- The decision to include BIZ in the City's core insurance program was made in 2001 by the Public Service. In 2018, Council endorsed all historical practices with respect to insurance provided to BIZ, Community Centres, Assiniboine Park Conservancy and City owned museums. This included the continued practice of purchasing insurance coverage for:
    - All risk property insurance, including unlicensed vehicles;
    - Commercial general liability insurance;
    - Crime insurance; and
    - Volunteer accident insurance.
- We reviewed legislation, regulations and by-laws to identify provisions related to BIZ insurance coverage. We also inquired about insurance coverage with representatives in comparator cities.

	Requirement in Legislation/Regulation/By-Law	Included in City Insurance Program
Winnipeg	×	✓
Calgary	×	×
Edmonton[1]	×	✓
Regina	×	×
Toronto	✓	✓

[1] We were informed that the City of Edmonton subsidizes a portion of a BIZ's premium cost to participate in City's insurance program.

- The City pays the costs associated with BIZ insurance premiums from the Insurance Operating Budget, but a BIZ is responsible for the first $500 of a claim deductible. Approximate costs to include all sixteen BIZ in the City's core insurance program are:
    - 2017/2018 - $27,000
    - 2018/2019 - $25,000
    - 2019/2020 - $36,000
    - 2020/2021 - $59,000
- We were informed that the decrease of premium costs for 2018/19 was due to a reduction in the property and equipment values reported by BIZs; the subsequent increases were a result of premium pricing increases by major insurance providers in Canada.
- We were informed that BIZ insurance claims have not affected the City's insurance program premiums; any loss has not exceeded the City's Self-Insured Retention of $250,000 and have been paid for from the City's Insurance Reserve Fund (IRF), rather than the City's external insurers. We were provided with the amounts of total BIZ insurance claims:

	Paid from IRF	**Recovered from 3rd parties**	**Total paid from IRF**
2017	$13,634	$12,596	$1,038
2018	$22,196	$21,820	$376
2019	$8,331	$7,672	$659
2020[1]	$16,853	$2,853	$14,000
Total	$61,014	$44,941	$16,073

[1] 2020 amounts paid from Insurance Reserve Fund and amounts recovered from 3rd parties is current to October 2020.

APPENDIX 1 – Project Methodology

MANDATE OF THE CITY AUDITOR

- The City Auditor is a statutory officer appointed by City Council under *The City of Winnipeg Charter*. The City Auditor is independent of the Public Service and reports directly to Executive Policy Committee, which serves as the City's Audit Committee.
- The City Auditor conducts examinations of the operations of the City and its affiliated bodies to assist Council in its governance role of ensuring the Public Service's accountability for the quality of stewardship over public funds and for the achievement of value for money in City operations.
- Once an Audit Department report has been communicated to Council, it becomes a public document.

SCOPE

- The project examined provincial legislation and municipal by-laws applicable to the City's BIZ associations, and those that applied to BIZ associations in Calgary, Edmonton, Regina and Toronto.
- The project included identification of the support and guidance that the City makes available to the BIZ associations, and comparison with support and guidance made available to BIZ in Calgary, Edmonton, Regina and Toronto.
- The project was a review engagement; BIZ operations, City processes, and the identified controls were not audited.

APPROACH

- We conducted this review engagement in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the project to obtain sufficient appropriate evidence to provide a reasonable basis for our observations and conclusions. We believe the evidence we have obtained provides a reasonable basis for our observations and conclusions.
- We researched Canadian BIZ association websites and publications to gain an understanding of operations, governance and relationships with the associated municipality.
- We identified and reviewed all applicable legislation, regulation and by-laws to determine key provisions.
- We identified the support and guidance the City has made accessible to BIZ associations.
- We undertook a limited scope jurisdictional comparison with other municipal BIZ models.
- We met with all current Councillors appointed to a BIZ board of directors, a sample of BIZ board chairs and BIZ executive directors, and Public Service employees to receive insight and opinions.

APPENDIX 2 – Sources of Authority for BIZ Model Characteristics

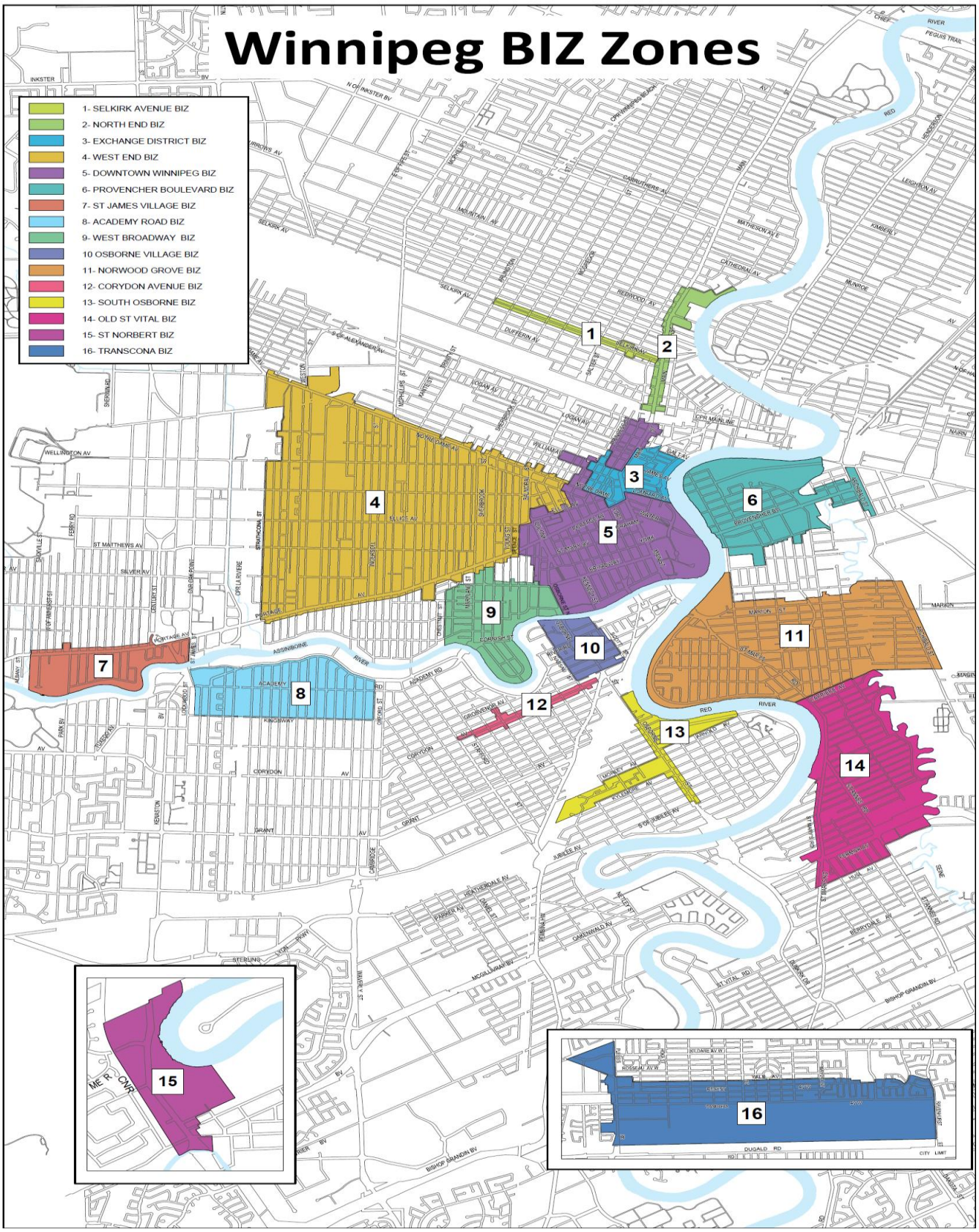
BIZ model characteristic	Source	Authority to define/adjust
Establishing a BIZ	City Charter delegates authority to define	City Council
BIZ boundaries	City Charter delegates authority to define	City Council
BIZ merger	Not defined	City Council
BIZ purpose	City Charter defines BIZ purpose	Provincial Government
BIZ expenditures & debt	City Charter defines limitations	Provincial Government
BIZ board governance practices	City Charter requires definition in by-law; BIZ Procedures By-Law defines min requirements, delegates authority to BIZ board for all others	City Council & BIZ Board
BIZ board composition & term limits	City Charter delegates authority to define	City Council
City councillor on BIZ board	City Charter requires one councillor on BIZ board	Provincial Government
BIZ board officers	BIZ Procedures By-Law delegates authority to board to determine	BIZ Board
BIZ board remuneration	BIZ Procedures By-Law defines board remuneration	City Council
BIZ board accountability/submission requirements	City Charter requires BIZ annual report, audited financial statement, and proposed annual budget; BIZ Procedures By-Law requires names of elected board members and report on compliance with requirements of AGM	Provincial Government & City Council
BIZ board meetings & AGM	BIZ Procedures By-Law defines requirements	City Council
BIZ budget approval	City Charter requires a council to approve via by-law	Provincial Government
BIZ budget approval process	City Charter delegates authority to define	City Council
BIZ levy calculation	City Charter requires business assessment as basis for levy calculation	Provincial Government
BIZ levy application	City Charter requires uniform application	Provincial Government
BIZ levy collection	City Charter defines requirements	Provincial Government
BIZ levy payment	BIZ Procedures By-Law defines schedule	City Council
BIZ insurance	Council decision. Approved September 20, 2018	City Council
Disestablishing a BIZ	City Charter delegates authority to define	City Council

APPENDIX 3 - Winnipeg Business Improvement Zones

	BIZ start	Electoral Ward	Approx. # of member businesses	Approx. # of BIZ admin staff [1]	Required # of board members	2020 expected BIZ levy revenue	2020 expected other BIZ revenue [2]	2020 approx. total BIZ budget	2020 approx. BIZ levy rate [3]	2020 BIZ levy revenue as % of BIZ budget
Academy Rd.	1995	River Heights-Ft Garry	101	0	9	$94,500	$22,350	$116,852	3.361%	81%
Corydon Ave	1990	Ft Rouge-East Ft Garry	165	1	13	$236,500	0	$236,500	3.286%	100%
Downtown	1989	Ft Rouge-East Ft Garry	1055	21	16	$3,103,200	$1,224,000	$4,327,200	2.289%	72%
Exchange	1989	Point Douglas	431	6	13	$815,100	$339,900	$1,155,000	2.746%	71%
North End	1993	Mynarski	92	0.33	8	$72,000	$33,000	$105,000	1.698%	69%
Norwood Grove	1991	St Boniface	244	0.5	9	$175,000	$85,600	$260,600	1.485%	67%
Old St Vital	1995	St Vital	164	1.25	13	$250,100	$169,100	$419,200	2.742%	60%
Osborne Village	1989	Ft Rouge-East Ft Garry	149	0.5	10	$200,000	$132,000	$332,300	3.062%	60%
Provencher	1998	St Boniface	119	0.25	9	$65,000	$41,750	$106,750	1.480%	61%
St James Village	1997	St James	96	0.5	9	$92,000	$93,300	$185,300	1.701%	50%
St Norbert	2011	St Norbert- Seine River	25	0.25	5	$29,000	$38,000	$67,000	2.218%	43%
Selkirk Ave	1991	Mynarski	62	0.25	8	$30,800	$42,300	$73,100	2.082%	42%
South Osborne	1993	Ft Rouge-East Ft Garry	66	0.25	9	$60,600	$37,000	$97,600	2.580%	62%
Transcona	1995	Transcona	159	2	10	$316,500	$97,500	$414,000	2.251%	76%
West Broadway	1992	Ft Rouge-East Ft Garry	112	0.33	8	$206,100	$95,400	$301,500	1.714%	68%
West End	1991	Daniel McIntyre	793	6	13	$684,200	$538,800	$1,223,000	1.607%	56%

[1] Approximate number of administrative staff in each BIZ association was determined through discussions with the Public Service.
[2] Examples of other BIZ revenue sources include prior year surplus, events, sponsorship, and grant funding for specific projects.
[3] The BIZ levy is calculated by applying the BIZ levy rate to the assessment of each business in each BIZ.

Map of 16 Biz Zones in the City Of Winnipeg



APPENDIX 4 – Sample Selection

- We compared the City's BIZ model with those in the cities of Calgary, Edmonton, Regina, and Toronto. Our rationale for this sample selection included:
    - The cities are major Canadian municipalities, and located in neighbouring provinces;
    - The sample includes a range in the sizes of cities, and in the number of BIZ.
- We determined what aspects of the BIZ model to compare based on:
    - Key provisions within legislation and by-laws that define the characteristics of the BIZ model;
    - Support and guidance materials made accessible to BIZ on the City's website;
    - Discussions with elected officials, BIZ representatives & Public Service.
- We requested meetings with various BIZ representatives based on:
    - Variety in the sizes of the BIZs;
    - An individual's role within a BIZ.

APPENDIX 5 – Applicable legislation, regulations and by-laws

Winnipeg	The City of Winnipeg Charter Act The Business Improvement Zone Procedures By-Law A By-Law establishing each BIZ An annual By-Law to approve the BIZ budgets, and to impose a BIZ levy
Calgary	The Municipal Government Act, and Business Improvement Area Regulation A By-Law establishing each BIA An annual By-Law to approve the BIA budgets, and to impose a BIA levy
Edmonton	The Municipal Government Act, and Business Improvement Area Regulation A By-Law establishing each business improvement area An annual By-Law to approve the BIA budgets, and to impose a BIA levy City Policy C462B, Business Revitalization Zone Establishment and Operation
Regina	The Cities Act A By-Law establishing each business improvement district An annual By-Law establishing the levy rate, and to impose a BID levy
Toronto	The City of Toronto Act Municipal Code, Chapter 19, Business Improvement Areas A By-Law establishing each BIA An annual By-Law establishing the levy rate, and to impose a BIA levy

APPENDIX 6 – Establishing a BIZ in comparator cities

Winnipeg:

- The *City of Winnipeg Charter Act* delegates authority to City Council to establish a BIZ by by-law. The Act requires that the content of a by-law establishing a zone must:
  - Determine the boundaries of the zone;
  - Establish a management board, determine the number of members, which must include one councillor, and define term limits of the board members;
  - Establish a procedure for nominating individuals from businesses within a zone to be members of the zone's management board;
  - Establish a procedure for removing a member of the management board;
  - Establish the powers, duties and functions of the board of a zone and procedures to be followed by the board in its conduct of its affairs;
  - Establish requirements for an annual report of the zone, including audited financial statements and the date in each year by which the report must be submitted by the board of a zone to Council and to all proprietors of businesses in the zone.

- The *City of Winnipeg Charter Act* requires that prior to passing a by-law establishing a zone, Council must by by-law establish:
  - Criteria to consider for determining boundaries of a zone;
  - Procedures for proprietors of businesses to petition Council for the establishment of a zone;
  - The percentage of proprietors and the percentage of total business assessment to be sufficient for a zone to be established;
  - Procedures to notify all proprietors in a proposed zone that a zone may be created, and procedures for those proprietors to file objections to the proposal with Council;
  - The percentage of proprietors and the percentage of total business assessment to be sufficient to prevent creation of a proposed zone;
  - Procedures to be followed by a zone's board of directors for the annual approval of the zone budget. Procedures must include:
    - The method by which notice of the budget approval procedures must be given to businesses within a zone;
    - Procedures that must be followed and requirements that must be met in order for a board of a zone to submit its proposed budget to Council.
  - Procedures to be used by Council in approving the budget of a zone;
  - Procedures to terminate, or alter the boundaries of a zone.

- The *Business Improvement Zone Procedures By-Law*, Number 8111/2002 defines the process and requirements to establish a BIZ in the City of Winnipeg.
  - A petition requesting the establishment of a zone signed by more than 50% of the proprietors in the proposed area of the zone representing more than 50% of the total taxable business assessment in the proposed area of the zone has been filed with the Clerk;
  - Notice has been sent by ordinary mail by the Clerk to all proprietors of businesses in the proposed area of the zone, notifying them that written objections to the establishment of the zone may be filed with the Clerk and advising them that, unless sufficient objections to the establishment of the zone are made by a date specified within the notice, the zone may be established; and
  - No more than one-third of the proprietors of businesses in the proposed area of the zone representing at least one-third of the total taxable business assessment of the

proposed area of the zone have objected in writing to the establishment of a zone prior to the date set by the Clerk.
    - The date specified in the notice for the filing of objections to the establishment of a zone may be determined by the Clerk and shall be at least 30 days after the notice has been mailed to all proprietors of businesses within the proposed zone.

Calgary and Edmonton:

- The *Municipal Government Act, Business Improvement Area Regulation* defines the process and requirements to establish a BIA in a municipality in the Province of Alberta.
    - The process for establishing a business improvement area begins with a request to council signed by persons who:
        (a) would be taxpayers if an area was established, and
        (b) represent at least 25% of the businesses that would be taxable businesses if an area was established.
    - The request must ask that an area be established and describe the proposed purposes and boundaries of the area.
    - Within 30 days of receiving a request that meets the requirements, the municipality must take reasonable steps to ensure that a notice of the request is mailed or delivered to every business in the proposed area that would be a taxable business if an area was established.
    - Persons who would be taxpayers if a proposed area was established may petition the council objecting to the establishment of the area.
    - The petition is not sufficient unless:
        (a) it is signed by persons who represent more than 50% of the businesses that would be taxable businesses if the proposed area was established, and
        (b) it is filed with the chief administrative officer within 60 days of the last date on which notice of the request was mailed or delivered.
    - If the chief administrative officer declares a petition to be sufficient, council may not pass a bylaw establishing a BIA set out in the request until 2 years have passed from the day the petition was declared to be sufficient.
    - If a sufficient petition is not received, the council may pass a BIA bylaw that is based on the request.

- The City of Edmonton has additional process details and requirements outlined in in *City Policy C462B: Business Revitalization Zone Establishment and Operation.*
    - The process for establishing a BRZ is ideally divided into two stages. Although some activities are accomplished solely within each stage, many others overlap between them.
        Stage 1 – Initial Interest/Development (“pre-application”)
        (1) Business Community Representatives should approach the Planning and Development Department to discuss the proposal and receive available information;
        (2) Planning and Development Department staff provide consultative services to the proponents regarding, but not limited to, the proposed BRZ size and compatibility of its business mix, the objectives of a new BRZ, preparing consultation plans, and legislative and municipal requirements of the process (including applicable deadlines/timelines);
        (3) Proponents should discuss the proposal with affected local business operators and assess the potential interest in the proposal (preferably by holding a minimum of two public meetings for information and debate);

(4) Planning and Development Department staff may attend the public meetings, as requested, to provide information and examples of local experiences;
(5) Planning and Development Department staff will assist proponents to apply by drafting a written application in the proper form, with a map of the proposed area;
(6) Proponents then proceed to gather the required signatures of business operators who favour the establishment of the BRZ (at least 25% of the businesses liable to pay the BRZ tax), towards the completion of the formal application.

Stage 2 – Formal Application to Establish A BRZ

(1) Proponents submit the formal application to establish a BRZ to the City Clerk by June 1 of the current calendar year (to be effective the following January 1). The application should include: Business Name as per License, Business Location/Address, Printed name of the Business Taxpayer (owner of business), Signature, Date signed, Witness signature accompanied by an affidavit of execution, and be accompanied by a statement of objectives of the proposed BRZ, justification of the area chosen and business mix, and description of the consultative process followed by the proponents;
(2) Applications received after June 1 cannot be guaranteed to receive Council approval of the BRZ's Budget in time for operations to begin in the following year;
(3) The Office of the City Clerk requests a list of all the businesses within the proposed area, effective on the date the application is received from the Assessment and Taxation Branch for verification of the applicants' status on the Current Assessment Roll, and sends a copy of the application to the Law Branch;
(4) The Office of the City Clerk determines the validity of the application, as related to statutory requirements, proceeding if the application is valid or informing City Council and the Planning and Development Department if the application is invalid and cannot be processed;
(5) If the application is valid, the Assessment and Taxation Branch of the Planning and Development Department conducts a field survey to verify the accuracy and completeness of the Current Assessment Roll;
(6) Upon determining the validity of the application, related to both the statutory and City requirements, the City Clerk refers the application to the Planning and Development Department for processing and the development of an interim information report to familiarize City Council with the application's particulars and status;
(7) The Planning and Development Department will, using a Current Assessment Roll provided by the Assessment and Taxation Branch, mail to all businesses within the proposed zone a Notice of the Request for formation of the BRZ, an information sheet regarding BRZs, a map and description of the boundary of the proposed zone, and instructions for petitioning against the Bylaw;
(8) Those wishing to object to the establishment of the proposed BRZ have 60 days from the day on which the last notice was mailed to file a petition. The petition must contain Business Name as per Licence, Business Location/Address, Printed name of the Business Taxpayer (owner of business), Signature, Date signed, Witness signature accompanied by an affidavit of execution, and must be submitted with a signed statement of representative with the City Clerk;

(9) During the 60 day Notification Period, Planning and Development Department staff will provide assistance to proponents and opponents in organizing information meetings with the local businesses by providing lists of businesses within the area, responding to and referring public inquiries as appropriate, preparing and mailing information on behalf of proponents, if necessary (e.g. notice of meeting with agenda/intent of meeting, etc.), and preparing petitions in the proper form;

(10) Once the 60 day Notification Period has passed, and providing no valid objecting petitions representing more than 50% of the businesses liable to pay the BRZ tax have been submitted to the City Clerk, the Planning and Development Department, with the assistance of the Law Branch, prepares the Bylaw to Establish the BRZ along with a statement of BRZ objectives, a motion for appointment of the Board, definitions of the rules of conduct, responsibilities and powers of the Board, and the first year's Budget Estimates for Council's consideration and ultimate decision for approval or refusal;

(11) If a petition objecting to the BRZ establishment is submitted to the City Clerk within the prescribed timelines, the validity of the petition must be verified by the Office of the City Clerk within 30 days of the receipt of the petition;

(12) The Office of the City Clerk informs City Council and the Planning and Development Department on the validity of the petition.

Regina:

- *The Cities Act* delegates authority to a council to establish a business improvement district by by-law. The Act includes a single process requirement:
  A. Before passing a bylaw establishing a BID, a council shall give any person affected by the operation of the proposed bylaw, or that person's agent, an opportunity to be heard by the council.
- The process and additional requirements to establish a business improvement district in Regina are not defined in legislation, regulation, or by-law.

Toronto:

- The *Municipal Act,* 2001 delegates authority to a municipality to establish a business improvement area in the Province of Ontario. The processes and requirements to establish a BIA in the City of Toronto are defined in *Municipal Code, Chapter 19, Business Improvement Areas.*
  A. A steering committee shall be formed to undertake the following with the assistance of City staff:
     (1) Define the desired boundary of the proposed business improvement area or the boundary extension of a proposed business improvement area expansion;
     (2) Develop a rationale for the proposed business improvement area or boundary expansion, including potential benefits for the area and objectives for future improvements;
     (3) Develop and implement a strategy to:
        (a) Communicate its interest in establishing a new business improvement area, or expand an existing business improvement area, to potential business improvement area members;

(b) Distribute information on business improvement areas to potential business improvement area members;
(c) Canvass potential business improvement area members to determine the initial degree of local interest;
(d) Report to the business improvement area office on the number of written and verbal responses received from potential business improvement area members and summarize the initial degree of local interest; and
(e) Decide on whether to request the General Manager to proceed to a formal public consultation meeting.

B. Upon the completion of Subsections A(1) and (2), the General Manager shall establish a web page on the City's website to provide information on the proposed new business improvement area or business improvement area expansion, and the address of the web page shall be communicated through meeting notifications.

C. If the steering committee decides to request the General Manager to proceed to a formal public consultation meeting under Subsection A(3)(e), the steering committee shall submit a letter to the General Manager, signed by at least two steering committee members, making such a request and confirming that the steering committee has complied with Subsection A.

D. Upon receiving a request from the steering committee to proceed to the formal public consultation meeting, and provided the General Manager is satisfied with the findings of the report submitted under Subsection A(3)(d):
(1) the General Manager shall send notification of a formal public consultation meeting to persons who own rateable property in a business property class, or in the case of a proposed expansion, to persons who own rateable property in a business property class within the proposed expansion area, a minimum of ten business days in advance of the meeting; and
(2) the steering committee shall distribute notification to all persons who are non-residential tenants of rateable property in a business property class, or in the case of a proposed expansion, to all persons who are non-residential tenants of rateable property in a business property class within the proposed expansion area a minimum of ten business days in advance of the meeting.

E. Except as provided for in Subsection G, after holding a formal public consultation meeting and determining interest in proceeding to the notification process for the establishment of a new business improvement area or the expansion of an existing business improvement area, the General Manager shall recommend that Council enact a by-law to establish a new business improvement area or expand an existing business improvement area.

F. For the purposes of Subsection E, interest in proceeding with the notification process shall be determined by a secret ballot at the formal public consultation meeting whereby 50 percent plus one of those potential business improvement area members in attendance must agree to proceeding with the notification process.

G. If the potential BIA members decide not to proceed with the notification process set out in Subsection F, another formal public consultation meeting relating to any part of the same area shall not be held for at least two years from the date of the formal public consultation meeting at which the decision was made.

H. Where there are competing interests involving proposed new business improvement areas or BIA expansions, the General Manager shall hold a formal public consultation meeting to consider all options and report to Council with recommendations.

Notice and Polling for new BIAs:

A. Before passing a by-law to establish a new business improvement area, notice of the proposed by-law shall be sent by prepaid mail to all persons who own rateable property in a business property class that is located in the proposed business improvement area using the following documents:
    (1) Current returned assessment roll; and
    (2) Municipal Connect, Toronto Property System (TPS) or any other related geographic information system (GIS) developed using information from Municipal Property Assessment Corporation (MPAC) and City records.
B. A person who receives notice under Subsection A shall, within 30 days of the date of the notice, give a copy of the notice to all persons who are non-residential tenants of the property to which the notice relates.
C. The steering committee shall also distribute the notice to all persons who are non-residential tenants of those properties receiving notice under Subsection A.
D. The notice provided under Subsection A will include instructions on how to obtain a copy of the ballot.
E. A printable version of the ballot will be posted on the City's website and will also be available by contacting the Clerk.
F. Proof of tenancy must be submitted with the completed ballot and acceptable forms of proof will be identified by the Clerk on the ballot and website.
G. A person who receives notice under Subsections A, B or C shall be entitled to complete and submit only one ballot, regardless of the number of rateable properties owned by that person within the proposed business improvement area, or the number of rateable properties of which the person is a non-residential tenant within the proposed business improvement area.
H. Council shall not pass a by-law to establish a new business improvement area if:
    (1) The number of accepted ballots returned fails to exceed the lesser of a minimum of 30 percent of the number of notices mailed under Subsection A and 100 ballots; or
    (2) 50 percent or more of the accepted ballots respond in the negative.
I. The polling period shall be 60 days, commencing upon the day the notices under Subsection A are mailed.
J. Where the 60th day of a polling period falls upon a holiday, Saturday or Sunday, the polling period shall end on the next regular business day that is not a holiday.
K. The business improvement area office shall provide the Clerk with the question that is required on the ballot.
L. The ballot shall indicate the following:
    (1) Polling period notice;
    (2) Criteria for accepting ballots;
    (3) Voter eligibility; and
    (4) Ballot confidentiality.
M. Ballots will be accepted only if they are:
    (1) Received from persons who own rateable property on lists provided for in Subsection A; or
    (2) Accompanied by proof of ownership if property ownership has recently changed; or
    (3) Received, with acceptable proof of tenancy, from persons within the identified polling area who are non-residential tenants of rateable property on lists provided for in Subsection A; and
    (4) Received by the Clerk by mail, courier, fax, e-mail or hand delivery by 4:30 p.m. on the last day of the polling period.

N. At the end of the polling period, the Clerk shall:
    (1) Record all accepted ballots;
    (2) Certify, in writing, the results of the poll;
    (3) Notify the business improvement area office and Ward Councillors of the results of the poll; and
    (4) Post the results of the poll on the City's web site within 15 business days from the end of the polling period.
O. The General Manager shall report to Council on the certificate issued by the Clerk.