

**Westboro Village BIA  
2018 Mid-Year Special Meeting  
September 13<sup>th</sup>, 2018  
The Barley Mow Westboro  
399 Richmond Road, Ottawa**

**In attendance:** Bill Bourk (Vice Chair), Rick Morris (Acting Treasurer), Michelle Groulx (Executive Director/Secretary), MaryAnne Petrella (Board Member), Molly van der Schee (Board Member), Jeff Leiper (Kitchissippi Ward), Elizabeth Stewart and Pat Stewart (Closet Candy), Kaylie Taylor (Barley Mow), David Oikle (Royal LePage), Dennis Lee (GGFL), Rick Eisert (Royal LePage), Debbie McCabe (Frontline Credit Union), Fiona Mitchell (Councillor's Assistant)

**Meeting Details:**

**Presentation of 2017 Audited Financial Statement (Rick):**

- Board Treasurer Mr. Rick Morris presented the 2017 Audited Financial Statement. For details, see attached.
- In explanation for the subsequent event note on Financial Statement, Rick communicated to members that BIA was unsuccessful in litigation against Shore Tanner & Associates (Judgement in June 2018) regarding overbilling for expansion study done in 2016. As a result, the invoice of \$6,882 along with costs of \$901 was paid to Shore Tanner. \$2,000 was accounted for in the 2016 budget. This resulted in an impact on 2017 financial statement which has been recorded as \$5,783 under professional services expense.
- Statement of Operation (Table 4 of financial Statement)
  - Revenues indicate grant monies received for Graffiti Removal from City of Ottawa in 2017.
  - Festival/Event Revenue came from 2017 Fuse Festival and Fashion event combined.
  - After previous Executive Director's departure in October 2017; only support staff were on the payroll until the end of the year. Therefore, the BIA remained \$35,000 under budget for salaries.
  - Under budget for professional services and maintenance; over budget by \$2,039 for office expenses.
  - A total of \$13,600 was budgeted for "interest on Debt". The breakdown as follows: \$8,806 for principal repayment of debt and \$4,794 for interest. More detail provided in section \*\* of this document.
  - Annual surplus of \$51,435 was recorded at the end of 2017 which contributed in recovering from the accumulated deficit of (\$13,365) from previous years.
- Statement of Cash Flows
  - Cash based analysis shows \$51,435 surplus in 2017 which is adjusted for non-cash items on balance sheet. Decrease in debt by (\$8,753) and total cash provided by operating activities is \$67,705. Cash position of BIA is \$156,054 at the end of 2017 as compared to \$97,102 in 2016.

- Statement of Financial Position (Table 1 of financial statement)
  - BIA has a long-term debt at the rate of 5.25% interest as described in note 2. We have cash deposit of \$156,054 and debt of \$85,798. Net financial assets of \$37,129. 2016 ended in a deficit with a debt of \$17,473 which was carried forward to 2017. Due to the surplus of 2017 the deficit is over.

**Question** from Pat Stewart (Closet Candy): Is early repayment a possibility? Or BIA is locked in with the debt until 2025?

**Answer:** The BIA has the option to repay debt any time, but interest rate can not be renegotiated.

### **Motion for Approval of the Audited 2017 Financial Statements**

The audited 2017 Financial Statements were approved.

**Moved by Rick Morris; Seconded/ Debbie McCabe (Frontline Credit Union)**

**All in favor / Approved**

### **2018 Operating Status (Michelle):**

- Michelle presented Year to date financial Report as provided by the city of Ottawa.
- BIA is trending under budget for administration expenses; which are general consistent through the year
- Currently at 51% of the Promenade maintenance budget. Promenade maintenance includes graffiti removal, street maintenance and street beautification. The city provided grants for graffiti removal.
- Fuse Street festival is the largest expense for advertising, promotion and events category. We are on budget for Fuse – the largest expense line item in this category. More events for the remainder of 2018 are to be organized. The fuse financial report was provided to all attendees.
  - As of August 31, we are at 57% of our advertising and promotion budget.
  - See Attached for more details.

### **\*\*Review of debt owing to City of Ottawa:**

- The debt Westboro Village BIA has with City of Ottawa was reviewed with members.
- Rick communicated debt repayment plan. He proposed committing to 4 principal repayments of \$10,000 in December of each year from 2018-2021. By doing so, Westboro Village BIA will be able to pay off the debt by April 2022.
- Revised amortization schedule based on \$10,000 re-payment plan was requested from City of Ottawa. That shows a saving of ~ \$10,000 in interest.
- In fiscal 2017, the interest expense reported amounted to \$4,794.
- A surplus of \$10,000 was approved at the AGM for the 2018 budget. As of now, BIA is tracking on budget, we are expecting to hold this surplus. A principal repayment of \$10,000 at the end of 2018 seems possible. Unless, the surplus is needed for contingency, Rick recommends board to pay \$10,000 as principal repayment in December 2018
- Rick requested input regarding debt repayment plan from attendees.

- Pat Stewart (Closet Candy): Can we payoff with the accumulated surplus? **No, because we would like to maintain reasonable capital for the BIA to operate.**
- Kaylie (Barley Mow): In case of budgeted surplus becoming unavailable due to contingency, Can BIA continue to repay in following years? **Yes**
- Is there any other incentive to pay off this debt early? **Interest saving.** It was also mentioned that Westboro Village BIA is the only BIA (aside from Carp) with a debt to the City of Ottawa.

**It was concluded at the end of discussion to go ahead with the proposed plan of principal repayments of \$10,000 2018-2021 by way of budgeting for a \$10,000 surplus over the next 3 years. If we don't need the surplus for expenditures, we will re-pay the debt.**

#### **BIA Levies:**

- BIA expansion was approved in December 2017. As a result, BIA levies were decreased.
- 2017 assessment of properties in BIA boundary was \$160,000,000 compared to \$228,000,000 in 2018.
- An increase of \$68,000,000 has been recorded due to expansion of BIA Boundaries. Which resulted in a 30% decrease of levies for properties that pre-existed within the boundary.
- 2017 and 2018 levy listing for each property is available for members to review, on request.

#### **Fuse: (Michelle)**

- BIA conducted an online post Fuse member survey. Received mostly good reviews with comments and recommendations on how to improve for next year; like onsite signage.
- Public report - some complaints received regarding street closure. BIA Staff to communicate street closure plan to public way in advance.
- A debate was going on for Fuse to be 1-day event instead of 2, after police and security services cost was considered. After discussion with Board and BIA members it was decided to keep it 2-day event.
- Survey included a question pertaining to possibility of moving Fuse Festival from August to June (as some members had asked for this consideration). As of the meeting the results were split between 24 member responses. 10 for August, 9 for June, 5 did not care.
  - Michelle discussed a few factors:
    - Competition in June there are a lot of festivals going on so attendance is divided.
    - Media coverage was very high in August. Perhaps due to less competitive environment?
    - Event was well attended in August, more than 2x's 2017 attendance
    - Most people still in town during June – we need to catch them while they are still here
    - Brand consistency

A show of Hands to decide June vs August showed result are as follows:

- *Fuse in June:* Elizabeth Stewart, Patt Stewart (Closet Candy)
- *Fuse in August:* Kaylie (The Barley Mow), Mary Anne (Board Member), Debbie McCabe(Frontline), Molly (Village Quire)
- Input from attendees include doing a side walk sale major event on the street in June and keeping Fuse in August.
  - Michelle discussed that this is an opportunity to create a new event instead of moving an event that is gaining momentum. This is something to consider in budgeting as there is no BIA event between January – August.

**Board Election:**

- Michelle explained the process and responsibilities of board members and invited members to participate in board elections.
- Board chair Dr. Dan Hwang, Treasurer, Mr. Rick Morris and Mr. Bill Bourk, vice chair will be retiring from board in November 2018. BIA looking to fill these board executive positions post election.
- Annual General Meeting will be held on January 9<sup>th</sup> – where the election will take place.
- Board Candidate Nomination forms should be submitted by December 01, 2018.

**Member feedback:** Audit results were received in August 2018. David Oikle (Royal LePage) thinks its unfair for members not being able to know the audited statements until August.

Adjustments were required due to Shore Tanner issue and subsequent note, which prevented Audit to be finalized until August 2018. Due to City of Ottawa’s internal processes and auditing organization September or August is usually the anticipated time for audit results to be received. Rick recommends highlighting this issue in OCOBIA and urge city to start audit process early.

***Motion to adjourn /Rick Morris; Seconded / Jeff Leiper;***

***Adjourned at 7:00pm***