



STAFF REPORT ACTION REQUIRED

Business Improvement Areas (BIAs) – Proposed Amendments to Municipal Code Chapter 19 and Proposed Exemptions to the Public Appointments Policies

Date:	June 13, 2011
To:	Economic Development Committee
From:	General Manager, Economic Development and Culture
Wards:	All
Reference Number:	P:/2011/Cluster A/EDC/ECON DEV/June 30/ed1106-021

SUMMARY

The purpose of this report is to recommend amendments to the City of Toronto Municipal Code Chapter 19, Business Improvement Areas ("Chapter 19") intended to address matters in need of clarification, reconsideration and refinement. Specifically, amendments are proposed with respect to the process and polling requirements for starting, expanding, altering the boundaries of, and repealing business improvement areas ("BIAs"). Amendments respecting board composition, proxy voting and board operations are also recommended.

In addition, staff have considered Chapter 19 in light of the City's Public Appointments Policy and the recommendations of the City Manager's "Managing Through Agencies and Corporations" and "Amendments to Public Appointments Policy" reports, as adopted by City Council at its meeting on April 12 and 13, 2011. Consistent with these reports, amendments have been proposed to improve board accountability. However, in recognition of the unique nature of BIAs, exemptions for BIA boards of management from two City public appointment policies, respecting City residency and minimum size and composition, have been recommended.

The City Manager's Office, Legal Services Division, Financial Planning Division, City Clerk and the Toronto Association of Business Improvement Areas (TABIA) were consulted on the proposed amendments.

RECOMMENDATIONS

The General Manager, Economic Development and Culture recommends that:

1. City Council approve the amendments to Municipal Code Chapter 19, Business Improvement Areas, in relation to Business Improvement Area (BIA) start-up and expansion process; notification and polling to prospective members; changes to boundaries and the process for repealing a Business Improvement Area (BIA); eligibility and appointment of board directors; determination of board size; board expansion during term; board procedures; purchasing and hiring policies; compliance with applicable laws; voting at Business Improvement Area (BIA) general meetings; financial reporting; submission requirements for levy collection; and participation in Ontario Municipal Board, Alcohol and Gaming Commission of Ontario, and other similar tribunal hearings.
2. City Council repeal City of Toronto Municipal Code Chapter 19, Business Improvement Areas, with the exception of Schedule A, and adopt the amended Municipal Code Chapter 19 included in this report as Attachment No. 1, including Schedule B "Business Improvement Area Board of Management Procedures", subject to any necessary minor substantive or stylistic refinements as may be identified by the General Manager of Economic Development and Culture and the City Solicitor.
3. City Council exempt Business Improvement Area (BIA) boards of management from Recommendation 2.a.ii of item 2011EX4.6 adopted by Council on April 12 and 13, 2011, which requires City Council to approve board procedure by-laws, provided that any changes or additions made by individual boards to the new Schedule B procedures are not in conflict with and do not undermine the intent of Schedule B.
4. City Council exempt Business Improvement Area (BIA) boards of management from General Policy No. 12, adopted by City Council under item 2011EX4.7 at its meeting on April 12 and 13, 2011, regarding the minimum size and composition of City agencies, boards, commissions and corporations.
5. City Council exempt Business Improvement Area (BIA) boards of management from Section 2.1 of the Public Appointments Policy which requires directors to be residents of the City of Toronto.
6. City Council direct the General Manager of Economic Development and Culture to monitor the results of the amended polling process for new and expanding Business Improvement Areas (BIAs) and report back to the Economic Development Committee in two years.

FINANCIAL IMPACT

There are no financial implications resulting from the adoption of this report.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

ISSUE BACKGROUND

At its meeting of June 11, 2007, Council adopted the City of Toronto Municipal Code Chapter 19, Business Improvement Areas, containing the provisions under which the City's BIAs operate, including provisions pertaining to financial management, the activities BIAs are permitted to undertake, the appointment of board directors and the establishment of new BIAs.

In 2009, BIA Office staff conducted a review of Chapter 19 to gauge its performance and identify amendments to improve its effectiveness and clarity. Staff determined that Chapter 19 had performed well, but recommended a series of amendments to improve its performance that were adopted by Council at its meeting on January 26 and 27, 2010 (ED27.6 <http://www.toronto.ca/legdocs/mmis/2010/ed/bgrd/backgroundfile-25928.pdf>).

This report identifies other areas in need of further reconsideration, clarification and refinement that have come to our attention from BIA boards, their members and TABIA.

In addition, staff have considered Chapter 19 in light of the recommendations contained in the City Manager's "Managing Through Agencies and Corporations" (EX4.6, <http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-36606.pdf>) and "Amendments to Public Appointments Policy" (EX4.7, <http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-36607.pdf>) reports, as adopted by Council at its meeting on April 12 and 13, 2011, several of which pertain to BIAs.

While many of the recommendations related to board accountability are relevant to BIAs, other requirements related to board composition and residency in the City are problematic for BIAs and exemptions are recommended. A letter from the Toronto Association of Business Improvement Areas, dated June 6, 2011, and appended to this report as Attachment No. 2, has been received by the City's BIA Office. The letter requests an exemption for BIA boards regarding the board size and membership, and director residency, policies noted above.

The proposed amendments to Chapter 19, in particular those pertaining to the process for establishing and expanding BIAs, take into account the findings of the 2010 Annual Report from the City Ombudsman.

The proposed amendments have been developed in consultation with the City Manager's Office, Legal Services Division, Financial Planning, City Clerk's and the Toronto Association of Business Improvement Areas (TABIA). The amendments were also presented at a meeting of the TABIA-City of Toronto Interdepartmental Meeting on May 17, 2011.

COMMENTS

1.0 BIA Governance

Although BIAs are city boards, they are unique from all other city boards in that they are self-funded and are also membership organizations. Chapter 19 of the Municipal Code sets out the policies and procedures for governing BIAs and their boards of management. BIA boards of management are authorized by Council to, among other responsibilities: oversee the improvement, beautification and maintenance of City-owned land, buildings and structures beyond City standard levels; maintain BIA-initiated streetscaping assets; and promote the BIA as an employment, tourist and shopping area.

BIAs represent one of the City's most enduring and effective partnerships. The City's 71 BIAs represent over 27,000 business and property owners, and approximately 200,000 employees and a total commercial/industrial property value assessment of over \$21 billion. In 2010, BIAs expended approximately \$25 million in order to fulfill their mandate, including over \$8.5 million towards the design, installation and maintenance of the City's retail streetscapes, set aside an additional \$1.9 million in capital reserves, and invested over \$5.9 million in advertising and marketing, including the production of some of the City's most successful events and street festivals. The remaining expenditures consist of staffing, security, administration and appeal provision surplus contributions.

The City's annual contribution to BIAs occurs through the Capital Cost-Share Program (\$2.5 million net in 2011) and an operating budget of \$1.1 million net for the BIA Office, which provides governance and oversight, professional advice and assistance, training, and capital project design and management to the City's BIAs.

In the "Managing Through Agencies and Corporations report, the City Manager sets out the governance principles for City agencies, stressing the importance that City boards:

- have appropriate structures and qualified boards;
- are managed well;
- are accountable to the City;
- are financially stable;
- follow legislative rules and City direction; and
- support City objectives established for the Board.

Staff are pleased to report that BIA boards of management operate in accordance with these principles to a remarkable degree, thanks to the skill and dedication of the volunteers who sit on BIA boards, the professionalism of the staff who work for individual BIAs, the supportive efforts of TABIA, and the advice and assistance provided by the City's BIA Office.

It is with these principles in mind that staff present an amended Municipal Code Chapter 19. Some of the amendments are "housekeeping" or technical in nature to address minor issues identified by BIAs and City staff and enhance the clarity of the Chapter. Others represent more significant changes with respect to the establishment and expansion of BIAs, board of

management procedures, and eligibility for board directors.

However, the amendments are sensitive to the unique self-funding and membership-driven nature of BIAs. It is critical that an appropriate balance is struck between City oversight and facilitating the ability of BIAs to fulfill their mandate to the City and their memberships.

2.0 BIA Start-up and Expansion Process (Section 19-4)

Amendments are recommended respecting the process for establishing and expanding BIAs to improve communications and local awareness and make the process more precise and transparent. A definition of "steering committee," the body of local representatives responsible for initiating the process to establish or expand a BIA, has been added to the Chapter, along with a definition of "formal public consultation meeting," which are now proposed to be conducted by the BIA Office, as opposed to the steering committee. With respect to communication, provisions have been added to require a page on the City's website providing information on the proposed new or expanded BIA.

In addition, the process now includes a requirement that staff determine interest in proceeding to the notification stage for a new or expanded BIA by way of a secret ballot at the formal public consultation meeting. In order to advance to the polling stage, a minimum of fifty percent plus one of those potential BIA members at the meeting must vote to proceed.

In circumstances where there are competing interests views or options for the same area, a provision has been added to the proposed Chapter requiring staff to conduct a formal public consultation meeting to consider all options and report to Council with recommendations.

3.0 Notification and Polling (Sections 19-5 & 19-6)

Currently, when Council adopts the recommendations of a staff report supporting the creation or expansion of a BIA, subject to polling results, the notification (polling) process involves the mailing of a notice by the City Clerk to commercial and industrial property owners within the proposed new or expanded BIA. In turn, the property owners are required to forward a copy of the notice to all business tenants that pay a portion of the property tax. The owners must then submit the list of tenants to which the notice was provided, indicating how much each pays in property tax, to the City Clerk. Only those tenants included on this list are eligible to respond.

The notice includes instructions on how to submit an objection to the proposed new or expanded BIA, if the property or business owner so chooses. If a minimum of one-third of those receiving the notice object to the proposed new or expanded BIA, and if those objectors represent at least one-third of the levied property taxes in the area, Council shall not adopt the by-law creating or expanding the BIA.

This process, although long-standing, is frequently criticized. First, business tenants that do not receive a copy of the notice from the property owner, or are not included on a list provided to the City Clerk by the owner, are shut-out of the process, regardless of whether they agree or disagree with the proposed BIA or expansion. Second, there is no response rate required to validate a poll

as there are with other City polls, so theoretically, the City could receive no responses and still move forward to create or expand a BIA. Third, the process is often seen as one-sided in that only those who object to the creation or expansion of the BIA must respond to the notice and those who do not respond are assumed to support the initiative. Staff believe the criticism has some validity and propose a new approach to polling as discussed below.

In order to ensure business tenants have greater opportunity to participate in the polling process, the City Clerk will send a notice of Council's intention to create or expand a BIA to commercial and industrial property owners, who are instructed to forward the notice to all business tenants, regardless of whether they pay a portion of the property tax. The steering committee will be responsible for delivering the notice to all business tenants within the area of the proposed new BIA or expansion as well, thereby increasing the likelihood of business tenants receiving the notice. Most importantly, the notice will include instructions on how to obtain a copy of the voting ballot, either through contacting the City Clerk, or printing the ballot from the City's website.

In order to ensure sufficient responses on which Council can make a decision, staff propose that the number of accepted ballots received by the City Clerk must exceed a figure equal to thirty percent of the number of notices mailed to property owners or 100 accepted ballots, whichever figure is less. Ballots received from both property owners and business tenants count towards satisfying this requirement. If the number received fails to exceed this figure, then Council shall not pass the by-law to establish a new or expand an existing BIA. This "test" is designed to gauge whether a reasonable level of public engagement and interest, either negative or positive towards the proposed new or expanded BIA, has been achieved by the steering committee.

Finally, staff propose that both those in favour as well as those opposed to the proposed new or expanded BIA must submit a ballot. If fifty percent or more of the accepted ballots received by the City Clerk do not support the establishment or expansion of a BIA, Council shall not pass the enacting by-law. In order to maintain the principle of one person-one vote, owners of multiple properties and/or businesses within a proposed new BIA or expansion area will be restricted to the submission of one ballot only.

With respect to BIA expansions, only property and business owners within the proposed expansion area will participate in the notice and ballot process. Members of the existing BIA must adopt a resolution supporting the proposed expansion at a general meeting of the membership before the notices are mailed. If the existing BIA membership fails to adopt such a resolution, the notification process will not proceed.

Staff are cognizant that the proposed ballot process represents a significant departure from the existing approach to determining the level of support for proposed new and expanded BIAs. Although staff believe the approach is more transparent and democratic, and will better facilitate the participation of business tenants in the process, the results should be monitored and evaluated. Therefore, it is recommended that the General Manager of Economic Development and Culture monitor the results of the proposed amended polling process for new and expanding BIAs and report back to Council in two years on the findings.

4.0 Changes to Boundary / Repealing a BIA (Section 19-9)

The proposed amended Chapter 19 no longer contains provisions for the division and reduction in size of BIAs. In situations where there is significant discontent within a BIA, staff and TABIA agree that it is most appropriate to allow members the opportunity to repeal the existing BIA and perhaps establish, through the polling process for new BIAs, a smaller BIA, or two BIAs, in place of the original. By providing no guarantees that a poll for a replacement BIA, or BIAs, would succeed, this approach better reflects the significance, and risk, of a movement to divide or reduce a BIA, and will encourage better co-operation of members in order to preserve the existing BIA.

The proposed balloting process for repealing a BIA designation and dissolving the board of management is similar to that of new and expanded BIAs. Property and business owners within the BIA would receive notification and opportunity to participate in a ballot process. Council shall not pass a by-law to repeal if the number of accepted ballots received by the City Clerk fails to exceed a figure equal to sixty-six percent of the number of notices mailed to property owners, or 200 ballots, whichever is the lesser. Council shall also not pass a by-law if forty percent or more of the accepted ballots received respond in support of retaining the BIA. This recognizes that a clear majority of sixty percent in favour of repealing a BIA is a prudent benchmark that must be demonstrated prior to taking the significant step of repealing a BIA. Council, of course, retains the right to repeal a designation by-law and dissolve a board of management of its own accord.

The proposed benchmarks also help protect the City from potential maintenance expenses. Should a BIA which has undertaken streetscape enhancements be repealed, the financial burden to maintain, or remove, the improvements is assumed by the City.

5.0 Eligibility and Appointment of Board Directors (Sections 19-5 to 19-7)

Several amendments are proposed with respect to the eligibility and appointment of BIA board of management directors. The existing provision which allows for up to twenty percent of the board to be comprised on non-BIA members has been removed. This provision was meant to allow BIA memberships to appoint non-BIA members with specific skills or areas of expertise that may be of benefit to the board. Upon further consideration and consultation with TABIA, it was determined that the most appropriate way for a BIA to take advantage of such skills or expertise is for the non-member to be appointed to a sub-committee of the board, a position for which BIA membership is not required. In addition, there has been some discomfort expressed that non-members, who do not pay BIA levies, are helping to make financial decisions for the levy-paying BIA membership.

The proposed amended Chapter 19 also contains a provision which requires a board of management to remove a director whose status has changed from a BIA member to non-BIA member during the term. The former director may continue to assist the board, such as participating in a sub-committee, but may not retain director status.

In keeping with the public appointment policies adopted by Council on April 12 and 13, 2011 (EX4.7, <http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-36607.pdf>), the proposed amended Chapter 19 includes a provision requiring all nominees for appointment to BIA boards to submit an application for nomination. The application form will be designed by the BIA Office in consultation with the City Manager's Office and provided to BIAs for their use.

Staff also recommend that the Public Appointments Policy be amended to exempt business improvement area board of management directors from the eligibility requirement that they must be residents of the City of Toronto. Membership in BIAs is based upon commercial/industrial property or business ownership in the area, not residency in the City. Therefore, it is inappropriate that BIA members be rendered ineligible for nomination to BIA boards based upon where they reside. Such a policy, if enforced, would have the potential to significantly limit the pool of potential board nominees and would cause significant instability within BIAs as levy paying members would be denied their rights to sit on boards of management.

6.0 Determination of Board Size (Section 19-15)

The recently-adopted Council policy (General Policy No. 12 as adopted by Council on April 12 and 13, 2011), which sets the membership for all agencies, boards, commissions and corporations at eleven members, at least 3 of whom shall be Councillors and one of whom shall be the Mayor or a designate, is problematic and potentially de-stabilizing for BIA boards. Some smaller boards may not be able to find additional members, and a unilateral increase imposed by the City may lead to higher quorums and board vacancies that will make it more difficult for boards to reach quorum at meetings.

In addition, the new policy is not in keeping with the spirit of the long-standing and mutually beneficial relationship between the City and BIAs, whereby the membership of the BIA has historically determined the desired board size, and only the BIA's local Councillor(s) are appointed to the board.

The attached amended Chapter 19 does not contain a provision setting the minimum board size at eleven members. Instead, it retains the existing provision which establishes that a board shall be composed of one or more directors appointed directly by Council and the remaining directors selected by a vote of the BIA membership and appointed by Council. It is recommended that BIAs be exempted from General Policy No. 12 as adopted by Council at its meeting on April 12 and 13, 2011.

7.0 Board Expansion During Term (Section 19-19)

Currently, there are no provisions in Chapter 19 which speak to the expansion of a board of management during the board's term of office. For many years, the practice has been to allow boards to add additional directors without obtaining approval from the general membership. The board additions would often occur as a result of a new business owner moving into the area and requesting to join the board. Staff are not opposed to such increases as they represent an effective way to add new voices, ideas and energy to a board, but contend that in-term increases

to the size of the board must only occur through a resolution adopted by the membership at an annual general meeting or general meeting, provided the proposed increase is listed in the meeting notice as an agenda item. Accordingly, a provision to this effect has been added to Chapter 19.

8.0 Board Procedures (Section 19-25)

The City Manager's "Managing Through Agencies and Corporations" report (EX4.6, <http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-36606.pdf>) recommends that "Council approve the board procedure by-laws of all agencies that regulate the internal conduct of the business and affairs of the agency, as is currently required for all City corporations." Currently, Chapter 19 requires BIA boards to prepare and adopt a procedure by-law which governs the calling, place and proceedings of meetings. In 2009, the BIA Office supplied to BIAs a procedure by-law template which exceeded the requirements of the Chapter in terms of its scope and, to date, 58 of 71 BIAs have adopted such a by-law.

Rather than Council approving an individual by-law for each of the City's 71 BIAs, staff propose to achieve compliance with this Council policy by amending Chapter 19 to add a Schedule B containing the most critical elements of the procedure by-law template noted above and, in effect, establishing basic board procedures as part of Chapter 19 to which all BIAs must adhere. The proposed amended Chapter 19 also contains a provision whereby BIAs may adopt additional procedures to those in Schedule B provided they are not in conflict with, nor undermine the intent of, Schedule B.

The proposed procedural requirements set out in Schedule B respect the existing broad range of BIA board sophistication and administrative capability so that staff is confident that the provisions meet the expectations of Council and the City Manager, and are implementable by all BIA boards.

It is therefore recommended that BIA boards of management be exempt from Recommendation 2.a.ii of item 2011EX4.6 adopted by Council on April 12 and 13, 2011, which requires Council to approve the board procedure by-laws, provided that any changes or additions made to the procedures by individual boards are not in conflict with and do not undermine the intent of Schedule B.

9.0 Purchasing and Hiring Policies (Section 19-25)

As required under the *City of Toronto Act, 2006*, the existing Chapter 19 contains a requirement that BIAs adopt policies pertaining to the procurement of goods and services and the hiring of employees. While some BIAs have adopted such policies, many have not. Therefore, the proposed amended Chapter 19 contains a requirement that BIAs adopt these policies within six months of the approval of the amended Chapter. To assist, the BIA Office is preparing purchasing and hiring policy templates for review, potential customization and adoption by BIAs.

10.0 Compliance with Applicable Laws (Section 19-15)

A provision has been added to the proposed amended Chapter 19 which, in effect, confirms and reminds BIA boards and directors that they must operate in compliance with all applicable laws including the City of Toronto Act, Municipal Freedom of Information and Protection of Privacy Act, Municipal Conflict of Interest Act, and the City's Code of Conduct for Members of Local Boards. In order to assist boards in this regard, the BIA Office, in consultation with the City Manager's Office, the City Clerk's Office and the Legal Services Division, will prepare user-friendly summaries of the most pertinent information pertaining to the legislation and these documents, and the BIA's responsibilities in relation to them. These will be provided to BIA boards and added to the on-line BIA Handbook.

11.0 Voting at BIA General Meetings (Section 19-17)

Under the existing provisions of Chapter 19, a BIA member is permitted to nominate, in writing, a non-BIA member to vote on his/her behalf at a general meeting of the BIA membership (proxy voting). However, there are currently no provisions regarding the submission of nomination forms and how the BIA is made aware that such a nomination has been made.

As a result of the lack of a defined process with respect to the submission of nomination forms, BIA annual general meetings may be marked by the attendance of significant numbers of nominees arriving the night of the meeting with nomination forms in-hand, leaving the BIA or staff without an opportunity to verify the legitimacy of the information presented.

The right of a member to make such a nomination is important to the democratic process. There are many reasons why a BIA member may not be able to attend a general meeting, including conflicting business and personal commitments, and may wish to make such a nomination. In some cases, large corporations may choose to nominate a branch or store manager to attend.

Therefore, the proposed Chapter 19 continues to allow BIA members to appoint a non-BIA-member as a "designate" to vote on the member's behalf at a general membership meeting. However, provisions have been included which require the designate form to be submitted to the City's BIA Office a minimum of five days in advance of the general membership meeting, along with proof of BIA membership. In turn, the BIA Office will collect and forward all the forms received to the BIA a minimum of three days prior to the meeting. The deadline for submission must be identified on the notice of the general meeting and the designate form will be designed by the BIA Office and provided to each BIA for attachment to the general meeting notice.

By formalizing the designate process and setting a submission deadline prior to the date of the general meeting within Chapter 19, staff believe many of the problems encountered at annual general meetings can be avoided.

12.0 Financial Reporting (Section 19-30)

As per the existing Chapter 19, BIA boards are required to adopt and maintain banking arrangements and sound business practices that are acceptable to the City's Chief Financial Officer and Deputy City Manager. However, in order to improve the flow of financial information to board members and improve overall financial transparency, the proposed amended Chapter requires board Treasurers to prepare and present written financial statements of expenses, revenues and bank balances for board review and consideration at each regular meeting. The board must then submit the board-approved statements to the City's BIA Office. Many, if not most boards already operate in this fashion. Those that do not will be required to adopt this practice.

13.0 Submission Requirements for Levy Collection (Section 19-33)

A key element of the City-BIA relationship centres on the City's role in collecting and remitting the annual BIA levy. It ensures that BIAs receive the funding necessary to support the program of initiatives and budget approved by the membership. In order for Council to collect the levy, it must have confidence that the BIA is being operated in accordance with Chapter 19 and sound financial practices. Therefore, prior to Council's raising of the levy funds for the following year, the proposed amended Chapter 19 includes a provision which requires BIA boards to: submit all meeting minutes and financial statements to the BIA Office; confirm its adoption of the procedures contained in the proposed Schedule B to Chapter 19; and confirm the adoption of purchasing and hiring policies.

14.0 Ontario Municipal Board (Section 19-14)

One of the purposes of a BIA, as per the existing Chapter 19, is to "advocate on behalf of the interests of the business improvement area." However, the Chapter restricts a board of management from participating in a hearing of the Ontario Municipal Board, Committee of Adjustment or other similar tribunal unless the board has conducted a general meeting of the membership to obtain approval to participate, and make related expenditures. The proposed amended Chapter 19 maintains these provisions, but also prohibits boards from passing a resolution or taking a position contrary to a decision of Council related to an Ontario Municipal Board hearing, a hearing of the Alcohol and Gaming Commission or any other similar tribunal.

The amendment is in keeping with the governance principles set out in the City Manager's "Managing Through Agencies and Corporations" report (EX4.6, <http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-36606.pdf>), which stress the importance that City boards are accountable to the City and follow City direction and objectives.

However, the proposed provisions of Chapter 19 in no way limit the rights of the BIA to advocate during the process leading to a decision by Council, or the right of individual members of a BIA, or groups of members, from taking contrary positions to the City and participating in such hearings of their own accord, provided they do not purport to be representing the BIA.

CONCLUSION

For over forty years, BIAs have been one of the City's most successful partnerships. Chapter 19 sets out the process for establishing BIAs, the purposes for which BIA boards are established and governs how they operate. The amendments proposed to Chapter 19 are designed to improve its effectiveness and clarity, and refine some provisions, such as those pertaining to proxy voting, to improve transparency and help the BIA boards operate in a financially sound and democratic way. The amendments are in keeping with governance principles for City agencies as set out by the City Manager and adopted by Council. It is therefore recommended that City Council approve the proposed amendments.

The report also recommends that BIA boards of management be exempt from the recently-adopted policy concerning minimum board size and composition, and from the policy that requires BIA board of management directors to be residents of the City. It also recommends that following the approval by Council of Schedule B "BIA Board of Management Procedures", BIA boards be exempt from the requirement that Council approve their procedure by-laws, as long as any changes made by the individual boards are not in conflict with and do not undermine the intent of Schedule B.

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SIGNATURE

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ATTACHMENTS

Attachment No. 1: Proposed Amended Municipal Code Chapter 19
Attachment No. 2: Letter from TABIA