

# Municipality of Lakeshore – Report to Council

## Corporate Services

### Deputy Chief Administrative Officer- Chief Financial Officer



**To:** Mayor and Members of Council

**From:** Justin Rousseau, Deputy Chief Administrative Officer – Chief Financial Officer

**Date:** February 12, 2025

**Subject:** Belle River BIA Board Status and 2025 Budget

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### Recommendation

Appoint Jen Haggit-Lutsch and George Marar to the Belle River Business Improvement Area (BIA) Board of Management;

Permit the BIA to submit its proposed budget in March 2025 to allow adequate time for organizational restructuring; and

Direct Administration to conduct a review of the BIA's mandate, financial operations, and governance structure, all as presented at the March 4, 2025 Council meeting.

### Strategic Objectives

3b) Modernizing and Enhancing Municipal Functions - Revise business processes to establish and employ a risk management framework, improved workflow management, and financial modelling to inform management of reserves

### Background

The Belle River Business Improvement Area (BIA) was established by By-law 94-2007 to support the improvement, beautification, and maintenance of publicly owned lands, buildings, and structures within its designated area, beyond what is provided by the Municipality at large. The BIA also promotes the area as a business and shopping district, aiming to enhance economic development and community engagement.

In recent years, Administration has been working with the BIA to improve financial practices and risk mitigation efforts. However, despite these efforts, the BIA has faced increasing challenges in governance, operational management, and compliance with municipal and legislative requirements. It has also led to difficulty maintaining membership and volunteers for its Board of Directors and running events. These issues have raised concerns about the long-term sustainability of the organization.

## Comments

The Belle River BIA has recently advised the Municipality that it will no longer be organizing the Sun Splash Festival, which has historically been a key community event. This decision has significant implications for local businesses and the community, as Sun Splash has been a major event that brings increased foot traffic to the area.

Furthermore, the recent resignations of board members have placed the BIA in a position where it cannot meet its governance requirements. According to By-law 94-2007, the Board must consist of at least seven members, including at least one member of Council. Without a fully functioning Board, the BIA is unable to conduct essential business operations, including preparing and submitting a budget as required under Sections 14 and 15 of the By-law.

The following is an excerpt of relevant sections of By-law 94-2007:

### Section 3:

“The Board shall consist of no less than seven members, at least one of whom shall be a member of Council and the remaining members shall be appointed by Council, based upon the recommendation of a majority of the members of the Area, and shall be persons qualified to be members of the Area, or nominees of Corporations qualified to be members of the Area as determined in accordance with Section 204 of the Municipal Act, 2001.”

### Section 14:

“The Board shall prepare a proposed budget for each fiscal year by the date and in the form required by Lakeshore and shall hold at least one meeting of the members of the Area for discussion of the proposed budget.”

### Section 15:

“After holding the meeting referred to in Section 14 above, the Board shall submit the proposed budget to Lakeshore. The proposed budget shall be submitted to Lakeshore by the date and in the form required by Lakeshore and Lakeshore may approve it in whole or in part but may not add expenditures to it.”

Given these challenges, it was recommended that the BIA be allowed to seek new members throughout February 2025 and that two new Board members be appointed to stabilize governance. Additionally, allowing the budget submission in March 2025 will provide the BIA with sufficient time to reorganize and resume operations effectively.

To ensure the BIA can function effectively in the future, a review will be conducted to assess its mandate, financial operations, and governance structure. A membership survey may also be carried out to evaluate how the BIA can best serve its members and fulfill its objectives.

## **New Members**

After a campaign for membership, the BIA is recommending the following individuals be appointed to the Board of Management:

- Jen Haggit-Lutsch – Balanced Fitness
- George Marar – The Bourbon

Both individuals operate a business within the BIA boundary and would sit as voting members, which will ensure the membership component is compliant with the terms outlined in By-law 94-2017.

Administration is recommending both individuals for appointment to the Board of Management.

## **Others Consulted**

Discussions have been had with the BIA Executive Director and Vice Chair.

## **Financial Impacts**

Allowing the BIA to continue operations while searching for new members and restructuring governance may result in short-term financial uncertainty. However, by permitting the budget submission in March 2025, the BIA can reassess financial sustainability and strategic planning without an immediate funding freeze.

The financial implications of the review process will be managed within existing municipal resources in the finance department. Additionally, stabilizing the BIA Board may help mitigate operational costs and ensure efficient financial oversight moving forward.

## **Attachments**

By-Law 94-2007

## Report Approval Details

Document Title:	Belle River BIA board status and 2025 Budget .docx
Attachments:	- By-law 94-2007
Final Approval Date:	Feb 20, 2025

This report and all of its attachments were approved and signed as outlined below:

Prepared by Justin Rousseau

Approved by the Corporate Leadership Team