



ADMINISTRATIVE REPORT

Report Date: March 26, 2009
Contact: Peter Vaisbord
Contact No.: 604.871.6304
RTS No.: 08037
VanRIMS No.: 08-2000-20
Meeting Date: March 26, 2009

TO: Vancouver City Council
FROM: Penny Ballem, City Manager
SUBJECT: Funding Advance to Business Improvement Areas (BIAs)

RECOMMENDATION

THAT Council approve a one-time grant advance to BIAs, in an amount of up to one-twelfth of a BIA's 2008-09 approved grant amount, to supplement BIA cash-flow pending Council approval of the 2009-10 BIA budgets.

COUNCIL POLICY

There is no applicable Council Policy regarding grant advances to BIAs.

PURPOSE

The purpose of this Report is to approve bridge-funding to BIAs that may experience unusual financial hardship this April due to the timing of Council approval of the 2009-10 budgets.

BACKGROUND

BIA recoverable grants are disbursed in two equal bi-annual payments on April 1 and October 1 after Council's annual approval of the BIA budgets in March. The April 1 payment immediately follows the BIAs' previous fiscal year end. As Council will not approve the 2009-10 BIA budgets this year until April 9, the anticipated April 1, 2009 disbursement will be delayed for at least 2 weeks.

DISCUSSION

By fiscal year-end (Mar 31), many BIAs have expended their annual budgets and are in very tight cash flow situations anticipating their April 1 disbursements. This is particularly true of smaller BIAs, which may not have access to significant contingency or reserve funds. Some of those BIAs are critically reliant on their April 1 disbursement to honour financial commitments such as wages and office rent.

Staff have received an urgent request from the BIAs to consider an 'advance' on 2009-10 grant requests for those BIAs who request assistance to meet their immediate financial needs. Approval of the foregoing Recommendation would provide bridge-funding that would allow BIAs to continue to meet their commitments until Council approves the 2009-10 budgets, and the normal disbursements are processed. Any advances would be offset by corresponding deductions from the applicable BIA April disbursements.

FINANCIAL IMPLICATIONS

There are no financial implications, as any advances would be offset by corresponding deductions from the April disbursements of BIAs receiving the advance.

CONCLUSION

As Council will not approve the 2009-10 BIA budgets this year until April 9, the anticipated April 1, 2009 BIA disbursement will be delayed for at least 2 weeks. Staff are responding to an urgent request from the BIAs to consider an 'advance' on 2009-10 grant requests for those BIAs who request assistance to meet their immediate financial needs. Approval of the Recommendation in this Report would provide interim funding to allow BIAs meet their commitments until Council approves the 2009-10 budgets, and the grant payments are processed. Any advances would be offset by corresponding deductions from the applicable BIA April disbursements.

* * * * *