

# Strategic Roles and Responsibilities

Business Improvement Zone Toolkit

# Table of Contents

<b>What is a Business Improvement Zone?</b>	<b>3</b>
<b>Strategic Roles and Responsibilities</b>	<b>4</b>
Business Improvement Zone	4
Member Businesses	4
Creating a BIZ	4
BIZ Levy	5
Board of Directors	5
Board Composition	6
Governance Management BIZ Board	6
Management Components of Roles and Activities	6
Governance Components of Roles and Mandatory Activities	7
Board Governance	7
Due Diligence of a BIZ Board	8
Recruiting Directors for the BIZ Board	8
BIZ Committees	8
BIZ Executive Director	9
Executive Director Qualifications	9
City of Winnipeg BIZ Liaison Staff	10
Winnipeg BIZ Alliance	11
<b>Schedule A: Business Improvement Zone Board Evaluation</b>	<b>12</b>
Assessment Checklists:	12
Selection and Composition	12
Orientation and Training	13
Organization of the Board	13
The Board at Work	14
Evaluation of the Board	15

The City of Winnipeg gratefully acknowledges the City of Edmonton for sharing important information about business improvement zones.

## What is a Business Improvement Zone?

A Business Improvement Zone (BIZ) is a non-profit association of business owners that join together to promote and improve the economic vitality of their business district. BIZs provide unique opportunities for businesses to accomplish mutual goals. Customers want safe, interesting, and attractive places to dine and conduct business. To attract customers, a BIZ can enhance streetscape improvements, carry out joint promotions and festivals, and promote economic development initiatives.

The City of Winnipeg assists this process by helping merchants form a BIZ. Once a BIZ is created, it is managed by a board of directors comprised of business

owners. BIZ funds are used to hire staff and implement plans. The City assists each BIZ by connecting them with relevant City departments, facilitating the annual funding process, and monitoring BIZ budgets. The Planning, Property

& Development Department provides consultative and support services and prepares BIZ reports and bylaws for consideration by City Council.

There are 16 Business Improvement Zones in Winnipeg.

# Strategic Roles and Responsibilities

## Business Improvement Zone

A BIZ is a non-profit organization that works to support a vibrant economy in a specific neighbourhood and whose mandate is to meet the needs of its members.

## Member Businesses

A member business is a business listed on the latest revised taxable Business Assessment Roll and is located within the boundaries of a zone. Non-profit organizations, social service agencies, home-based businesses, schools, neighbourhood associations, community clubs, other organizations, and other levels of government are not considered members of a BIZ, but are considered stakeholders.

Each business owner in the geographic area is a member of the BIZ. Members nominate individuals to the board of directors, review the annual BIZ budget, and may volunteer to support BIZ activities.

## Creating a BIZ

A BIZ is created by bylaw through City Council. Council has the authority to establish a BIZ under the City of Winnipeg Charter.

BIZ operations, services and programs are guided by:

- [The City of Winnipeg Charter \(File 2, statute 434\)](#)
- [City of Winnipeg Business Improvements Zone Procedures By-Law No. #8111/2002](#)
- Individual BIZ Creation By-Laws adopted by City Council for the establishment, boundary and board size
- Day-to-day governance and operating guidelines established by each BIZ
- The needs and goals of the area as well as member businesses

[Learn more about creating a BIZ.](#)

Only tax-paying businesses are legally recognized as members of the association, and only these members may vote on BIZ-related matters at Annual General Meetings and other meetings where the board of directors may seek direction from membership. A BIZ may choose to build relationships with individuals and organizations that do not pay BIZ taxes in their area and involve them in association activities. However, unless these individuals have been formally appointed to the board by City Council, they are not entitled to vote.

## BIZ Levy

Member businesses pay a BIZ levy based on their annual rental value (ARV). Each year, the BIZ determines its programming needs and sets its budget accordingly. The City applies an appropriate percentage to the ARV to generate the needed funds. The City collects and remits this levy to the BIZ and each Board of Directors carries out its programming for the year. Although the levy is collected by the City of Winnipeg, each BIZ operates independently from the City.

Members may influence the operation of their BIZ by:

- Serving on the board of directors
- Working on committees to advance specific BIZ goals
- Volunteering to support BIZ programs and events
- Attending the Annual General Meeting (AGM) and:
  - Nominating individuals to the board of directors
  - Reviewing the proposed annual budget before the board sends it to City Council for approval

## Board of Directors

The Board of Directors sets the direction for the organization, including identifying goals and priorities for advancing the economic vibrancy of the zone. Each director must be nominated by 10 business owners in the BIZ. Every two years, directors must be re-nominated by members and elected at the BIZ AGM by members. The board has four key roles: management, governance, financial, and recruitment of new directors.

The board:

- Makes decisions by voting at board meetings
- Meets a minimum of eight times per year, plus holds an AGM
- Elects a chair who presides over all meetings and provides leadership
- Elects officers such as treasurer, secretary, and vice-chair
- May delegate authority to committees, officers, employees, and others
- May assign duties to an executive director
- Invests in regular board development to strengthen the skills and effectiveness of directors, to benefit the BIZ

## Board Composition

This board sets the direction for the BIZ and oversees work to support economic development and BIZ members. Directors are unpaid volunteers nominated by membership.

The board consists of:

- One member of City Council appointed by resolution of Council
- Between four to 15 members elected or appointed from member businesses according to the procedure set out in the Business Improvement Zone Procedures By-law. (Each BIZ has a different number of board members, depending on the size of the zone and number of businesses within the area).

## Governance Management BIZ Board

The BIZ bylaws state that a zone shall be governed and administered by a board established or continued by the bylaw. This equates to a governance management board that establishes: policies and internal management procedures; a framework that governs people and operations; responsibility for financial oversight; and legal compliance in carrying out its objectives. The role of the board is to ensure the BIZ is well-managed, but not to manage daily operations.

## Management Components of Roles and Activities

The board sets the direction of the organization and ensures it meets annual operating requirements. Key activities and responsibilities include:

- Creating a strategic plan to identify and work toward BIZ goals
- Creating a financial plan to fund actions identified in the strategic plan
- Overseeing BIZ finances
- Recommending a proposed program and budget for the next fiscal year, and obtaining approval by member businesses at the AGM.
- Presenting an audited financial statement of the previous calendar year for approval by member businesses at the AGM
- Filing the approved annual budget with City Clerks, followed by City Council, at which time a bylaw approving a BIZ budget is considered
- Hiring an executive director (or administrator) to oversee the implementation of the strategic plan and the daily administration of the organization
- Representing the BIZ to City Council, area businesses, and the community
- Working to recruit and nominate new directors as needed

## Governance Components of Roles and Mandatory Activities

The board ensures the BIZ complies with its own governing document, operating guidelines, and all applicable laws and regulations. The board must do the following to maintain the status of the organization:

- Create a governing document, operating guidelines, and procedures to address the specific needs of their association
- Ensure directors:
  - Follow general ethical, conflict of interest, code of conduct guidelines, and ensure confidentiality of information
  - Disclose any conflict or potential conflict of interest prior to a matter coming before the board for discussion. Ensure information retention policies and management procedures are in place to oversee the use, retention and destruction of data, and to comply with the Freedom of Information and Protection of Privacy Act (FIPPA) of Manitoba.
  - Hold an AGM with BIZ members to present a review of the past year's audited financial statements and activities; appointment of an Auditor for the upcoming year; present a proposed budget for the new year; receive nominations for the board of directors; and complete other requirements as directed by the BIZ governing documents. Following the meeting, approved budget, audited financial statements, and board nominations are filed with City Clerks, under bylaw requirements for accountability and transparency, plus to obtain City Council approval of the BIZ budget.

It is recommended that governing documents be reviewed by the BIZ's lawyer and by City of Winnipeg staff to ensure they comply with the requirements of City bylaws and as well BIZ-related policies.

## Board Governance

The function of a board is to:

- Establish and implement the organization's mandate
- Confirm the organization's identity in the community by generating excitement and enthusiasm, encouraging community involvement and advocating for increased support
- Set goals and determine action steps and time frames to reach the goals
- Provide continuity for the governance and management of the organization although board and staff may change
- Provide leadership, vision and accountability to membership and the community at large

## Due Diligence of a BIZ Board

Board members need to demonstrate the appropriate due diligence regarding their responsibilities in running the organization. This includes, but is not limited to:

- Being aware of duties and responsibilities
- Acting within organization bylaws
- Complying with all laws and legal requirements
- Declaring and refraining from conflicts of interest
- Knowing the business relationships of the organization
- Acting on an informed basis, always in the best interest of the organization
- Seeking and consulting the appropriate training and resources to guide board decision making
- Exercising care in situations that any reasonable person in a similar situation would do

## Recruiting Directors for the BIZ Board

Current directors on the BIZ board (and also general members) may be involved in the engagement of prospective directors. They must be nominated by 10 business owners in the BIZ and make the nomination in writing using a nomination form. Engaging members and others to serve on a board is an ongoing process. A clear understanding of the zone's approach to economic development and the specific requirements to achieve BIZ goals is key to successfully recruiting people willing to invest their time and energy.

The board should attempt to represent various sectors and industries in the zone, along with a diverse skill set among board members.

## BIZ Committees

A board of directors may choose to establish committees to focus on key issues and initiatives. Committees are usually chaired by a director. Creating committees to meet the specific needs of a BIZ can help achieve success and provide many benefits to the organization. Engaging members of the BIZ and other interested individuals and organizations requires the BIZ clearly state existing committees' terms of reference. These terms shall exist for all committees, stating:

- The purpose of the committee and how it advances the overall BIZ strategic plan
- The specific skills, experience and/or attributes members will contribute
- Time commitment required as a member of the committee, including how often the committee meets
- Any delegation of authority by the board to the committee

## BIZ Executive Director

The Executive Director (ED) is hired by the BIZ and reports to the board of directors. Having an executive director is strongly recommended, though it is not a legislated requirement. BIZ board members are volunteers and may not have the capacity to manage the long-term and daily needs of operating the BIZ. An executive director may be a paid employee or a contractor. When an ED is hired, the board assigns their responsibilities and delegates authorities. These often include:

- Helping the board meet its governance requirements
- Working with the board to create guidelines and procedures to guide operations
- Assisting in development, and implementation of the BIZ Strategic Plan:
  - Providing direction and managerial oversight to achieve short- and long-term goals
  - Implementing action items
  - Serving as a liaison to the board to advise of issues and opportunities related to specific goals.
- Creation of programs, projects and initiatives
- Creating positive and constructive working relationships with BIZ stakeholders:
  - Maintaining relationships with members, keeping them engaged and informed
  - Connecting businesses, property owners, community members, City service areas, and partner organizations
  - Serving as the primary media spokesperson for the BIZ and representing the interests of the organization publicly and at BIZ Alliance meetings.
- Managing and operating the BIZ:
  - Helping establish and manage the annual budget
  - Preparing quarterly financial report.
  - Hiring, orientation, termination, and succession planning of staff
  - Maintaining records

## Executive Director Qualifications

Each BIZ board determines the specific requirements they need in their ED. These may include:

- Degree in business, administration, marketing, community economic development, urban planning, or a related field, or a combination of related experience and education
- Experience working with small business and understanding business needs
- Experience working with non-profit organizations and boards of directors
- Proven experience managing people and finances
- Knowledge of municipal government structure and operations
- Strong communication and public relation skills, and the ability to work effectively with diverse groups

- Experience organizing and running effective meetings
- Ability to develop effective, trusting relationships; partnerships with community and business leaders, elected officials, City staff, and key influencers
- Ability to identify emerging issues and opportunities for the board consideration

## City of Winnipeg BIZ Liaison Staff

City staff work closely with all Business Improvement Zones and the BIZ Alliance to support their diverse needs.

The BIZ Liaison's primary role is to provide guidance on governance and administration to ensure compliance with City bylaws. The liaison also connects each BIZ to other City staff, programs and grants.

Under the Direction of the Planning, Property & Development Department, City staff will assist in public realm initiatives and placemaking efforts. The City will seek opportunities to collaborate on capital projects or planning work that could align with BIZ interests.

The BIZ Liaison will:

- Collaborate with Business Improvement Zones and community groups to support and promote neighbourhood economic development
- Assist business improvement zones with:
  - interpreting and applying bylaws
  - supporting strategic planning and budget development
  - serving as a resource and liaison between BIZs and the City; assisting with pursuing projects and initiatives, especially those involving the City
  - promoting best practices and building organizational capacity for the BIZ whenever possible
  - supporting administrative processes related to proposed changes to BIZ boundaries or providing support to businesses interested in forming a BIZ

The BIZ Liaison is not a board member and does not take on administrative responsibilities for the BIZ. The liaison is not an advocate for the BIZ, but instead serves as a conduit of information.

## **Winnipeg BIZ Alliance**

The BIZ Alliance is a coalition of all Winnipeg BIZ executive directors, administrators, and/or board chairs. The Alliance meets on a regular basis to address common issues, propose collective solutions, and plan unified advocacy efforts.

Typically, meetings are held quarterly and are chaired by one executive director. The frequency of meetings, items to be discussed, follow-up actions, and how the Alliance operates is determined by the group. City staff and other parties may participate, when requested and as possible.

# Schedule A:

## Business Improvement Zone Board Evaluation

Effective boards don't just happen. Boards require training and periodic assessment to make improvements. Following is a helpful self-assessment tool that can identify areas for board development.

<b>Assessment Checklist</b>			
Selection and Composition	Yes	No	In Progress
1. The BIZ has a written statement of qualifications for board members.			
2. The nominating committee works on a year-round basis and solicits staff, board, clients, and organization suggestions regarding board nominations.			
3. The BIZ is always thinking ahead and has a pool of potential board members for the future.			
4. The board is composed of individuals vitally interested in the work of the BIZ.			
5. The board is widely representative of businesses in the zone			
6. There is a satisfactory combination of experienced and new board members to guarantee both continuity and new thinking.			
7. The BIZ has a formal plan for monitoring terms of board members to meet the bylaw requirement of three, two-year terms, to the maximum of six years. This assists in having a steady supply of new board members			

## Assessment Checklist

Orientation and Training	Yes	No	In Progress
1. The board has a clearly written statement outlining the duties and responsibilities of new board members.			
2. The board has a written orientation plan for new board members.			
3. The board has a board member manual which it supplies to all board members. The manual is revised periodically.			
4. The board has a plan for board member training carried on throughout the year.			
5. Board members participate in board and community training opportunities.			

## Assessment Checklist

Organization of the Board	Yes	No	In Progress
1. The board has a simple, concise set of bylaws which provide clear duties for the officers of the board and spell out the procedures by which the board transacts its business.			
2. The board has an elected executive committee to handle matters which may come up between meetings.			
3. The board has working committees such as finance, operations/program, human resources, streetscaping/marketing/public relations, etc. through which work is channeled.			
4. Committee assignments and responsibilities (terms of reference) are in writing and copies are supplied to committee members.			
5. Committee assignments are reviewed and evaluated periodically			
6. Working relations between the staff and the board are clearly defined and understood. Clear duties and responsibilities are spelled out for staff members.			

## Assessment Checklist

The Board at Work	Yes	No	In Progress
1. There are regularly scheduled board meetings at least eight times per year.			
2. Meetings begin on time and end on time as per agreed-upon schedule.			
3. There is an adequate preparation of material, including: agenda, previous board minutes, committee reports, executive director update, study documents, etc., provided in advance of board meetings.			
4. Board meetings are characterized by free discussion and active participation.			
5. Board meetings deal primarily with policy formulation, review of plans, making board authorizations, and evaluating the work of the BIZ.			
6. Routine matters and/or, items requiring official action but little discussion are handled promptly.			
7. Minutes of board and committee meetings are written and circulated to the members.			
8. Regular reports of committee work are made to the board.			
9. The board spends some time on matters of community and civic matters of concern within the BIZ.			
10. Individual members of the board accept and carry assignments within the area of their special talents and competencies.			
11. Board and staff members work together on specific programs and projects from time to time.			
12. Staff functions and direct services are left to the staff.			
13. The board and committee members are clear about the mission of the organization.			
14. Board members work with staff to develop annual plans with specific actions.			
15. There is follow-through on action plans.			

## Assessment Checklist

Evaluation of the Board	Yes	No	In Progress
1. Board members give sufficient time to the work of the organization and have a good record of attendance at regularly scheduled board and committee meetings.			
2. The board conducts an annual review of its own organization and work.			
3. The board has an outline of future plans for the organization.			
4. New leadership is emerging constantly from the board and its committees.			
5. The board participates/partners actively with other relevant community organizations.			