

TO: MAYOR J. LEHMAN AND MEMBERS OF COUNCIL

FROM: S. SCHLICHTER, DIRECTOR OF BUSINESS DEVELOPMENT

**NOTED: Z. LIFSHIZ, EXECUTIVE DIRECTOR OF INVEST BARRIE
M. PROWSE, CHIEF ADMINISTRATIVE OFFICER**

RE: STARTER COMPANY PLUS PROGRAM – DISCONTINUED APPLICATION FEE

DATE: SEPTEMBER 18, 2017

The purpose of this memorandum is to advise members of Council that the Small Business Centre of Barrie, Simcoe County and Orillia was directed by the Province to cease charging an application fee in relation to the Starter Company Plus Program. The Small Business Centre has complied with the Province's direction in order to maintain the Program and the associated funding provided by the Province.

In March, 2017, Council approved the City's entrance into a Transfer Payment Agreement with the Province through the Ministry of Economic Development and Growth (MEDG) for the provision of grant funds to deliver the Starter Company Plus Program through the Small Business Centre of Barrie, Simcoe County and Orillia (Small Business Centre) for the period ending March 31st, 2019.

Starter Company Plus is an entrepreneurial training and mentoring program delivered by the Small Business Centre and will also provide limited grant opportunities (approximately 30) of up to \$5,000 for eligible entrepreneurs who are starting, buying or expanding a business.

After entering into the Agreement, demand for the program was significant and staff of the Small Business Centre contemplated an application fee in order to be able to deliver a business training service standard that would be on-demand and most convenient and consistent for applicants to access.

The decision to utilize a third-party online business training service provider was arrived at after thorough research of online solutions and feedback from other SBEC's within the network. The Province, through the Regional Advisor to the Small Business Centre was consulted concerning the Small Business Centre's interest in charging a fee to recover a portion of the municipality's costs and provided authorization to proceed with an amendment to the budget submitted to the Province to reflect the fee. As a result, staff of the Small Business Centre proceeded with a report to General Committee and received Council's approval for an amendment to the City of Barrie Fees By-Law and initiated the application fee accordingly.

In June of 2017, City Council adopted motion 17-G-139, as follows:

"That Schedule D of Fees By-Law 2017-014 be amended to authorize the Small Business Centre of Barrie, Simcoe County and Orillia (Small Business Centre) to charge applicants of the Starter Company Plus program \$100 plus HST to access an online business training course as part of a cost recovery measure."

Since that time, the Province has reviewed their program standards. Business Development was advised by the Province on September 7th, 2017 that charging an application fee is not in alignment with their intent of the program and have ceased to permit charging any fees associated with the Starter Company Plus program.

The City of Barrie has had a longstanding, positive relationship with the Province in delivering the services of Small Business Enterprise Centre Model and has demonstrated a commitment to adhering to all prescribed program delivery requirements.

In order to maintain compliance with the Program Requirements under the Transfer Payment Agreement for Starter Company Plus, the Small Business Centre of Barrie, Simcoe County and Orillia has ceased charging any fees in whole or in part to individual applications or Eligible Participants of the Program effective September 7, 2017. Further, it had received a total of eight application fees from individual applicants. All eight applicants have been advised of the removal of the fee and the return of funds to the applicants is in progress.

In addition and in accordance with the actions identified by the Province, all references to the fee have been removed from any promotional and/or informational materials related to the Starter Company Plus program.

In light of the Provincial requirements, staff of the Small Business Centre are reviewing the current program budget to ensure continued quality training under the Starter Company Program while remaining within the existing budget for the program.