
TO: GENERAL COMMITTEE

**SUBJECT: LETTER OF AGREEMENT: CITY OF BARRIE AND PROVINCE
RE: STARTER COMPANY PLUS PROGRAM**

WARD: ALL

**PREPARED BY AND KEY CONTACT: B. KELLY
YOUTH PROGRAM COORDINATOR, EXT 5448**

**SUBMITTED BY: S. SCHLICHTER
DIRECTOR – BUSINESS DEVELOPMENT, EXT 5036**

**GENERAL MANAGER APPROVAL: Z. LIFSHIZ
EXECUTIVE DIRECTOR – INVEST BARRIE**

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the Corporation of the City of Barrie enter into a Transfer Payment Agreement with Her Majesty the Queen in Right of Ontario as represented by the Minister 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.
2. That the City Clerk be authorized to execute all documents necessary to give effect to such agreement.
3. That should the Starter Company Program be extended under the same general conditions or a similar program be established with the same general intent, the City Clerk be authorized to execute extensions to such an agreement or a new agreement, in order to facilitate the transfer of grant funds.

PURPOSE & BACKGROUND

Report Overview

4. This staff report facilitates the receipt of grant funding for the Small Business Centre of Barrie, Simcoe County and Orillia (Small Business Centre) to deliver the Starter Company Plus Program, an initiative of the Ministry of Economic Development and Growth (MEDG) to address local and/or regional economic development needs, and where appropriate, focus on specific industries and sectors. Objectives of Starter Company Plus are as follows:
 - a) Serve entrepreneurship programming needs of Ontarians, aged 18 and older;
 - b) Align activities with local/and or regional needs and opportunities related to small business;
 - c) Generate economic results through business creation and expansion; and

- d) Support and strengthen main street businesses.

BACKGROUND

5. In December 2001, Council Motion 01-G-526 approved the establishment of a Business Enterprise Centre in the City of Barrie and entered into a Letter of Agreement setting out the obligations of both the Ministry of Economic Development & Trade (now MEDG) and the City of Barrie for the delivery of services for an Enterprise Centre.
6. The Small Business Centre of Barrie, Simcoe County and Orillia (previously the Greater Barrie Business Enterprise Centre) has been operating since 2002 and relocated to the 3rd floor of Barrie City Hall in March, 2014. The Small Business Centre receives annual funding in the form of 'Transfer Payment Agreement' from MEDG for its core business service delivery that includes business consultation, information and resources for small business at the pre start-up, start-up and growth stages.
7. The City of Barrie currently holds the finances of the Small Business Centre and is managed as outlined in the Letter of Agreement with the Province. Delivery and funding of one-off or specialized MEDG initiated programming (Summer Company and Starter Company) outside of the standard core service funding are a typical function of the Small Business Centre operations and are facilitated through independent Transfer Payment Agreements.

ANALYSIS

8. Starter Company Plus is an entrepreneurial training and mentoring program, with limited grant opportunities of up to \$5,000 for eligible entrepreneurs who are starting, buying or expanding a business. The above components comprise the base framework of the program outlined by MEDG. The Small Business Centre incorporates those elements to deliver the program within the local marketplace with a focus on local economic priorities and needs.
9. The term of the Agreement will commence on the Effective Date (January 1st, 2017) and will expire on March 31st, 2019, unless terminated earlier pursuant to the Terms of the Agreement. MEDG will be providing funding of approximately \$230,000 over a two-year period for the Small Business Centre to deliver the Starter Company Plus Program. The funding includes operating funds for the Centre to deliver the program and funding for the grants for approved participants.
10. The highlights of the Agreement require that the City of Barrie, as funding recipient, through the Small Business Centre to:
 - (a) Carry out the Program:
 - i. in accordance with the terms and conditions of the Agreement; and
 - ii. in compliance with all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules and by-laws related to any aspect of the Program;
 - (b) Use the Funds only for the purpose of carrying out the Program;

- (c) Spend the Funds only in accordance with the Budget;
- (d) Submit to the Province all Reports in accordance with the timelines and content requirements set out in the Agreement;
- (e) Record all financial records (including invoices) relating to the Funds or otherwise to the Program in a manner consistent with generally accepted accounting principles; and
- (f) Maintain all non-financial documents and records relating to the Funds or otherwise to the Program.
- (g) The Recipient shall, upon expiry of the Agreement, return to the Province any Funds remaining in its possession or under its control.

ENVIRONMENTAL MATTERS

11. There are no environmental matters related to the recommendation.

ALTERNATIVES

12. There is one alternative available for consideration by General Committee:

Alternative #1

General Committee could choose not to enter into an Agreement with the Province of Ontario for the provision of the Starter Company Plus Program. This is not recommended as the Starter Company Plus Program is part of the MEDG intent to address local and regional economic development needs. Implementing this initiative will create employment and bring economic stimulus to our community.

The Small Business Centre has been operating for 14 years and continues to deliver programming through the partnership between the Province of Ontario and the City of Barrie and is a designated service delivery agent for the Starter Company Plus Program.

FINANCIAL

13. Through the Invest Barrie budget, the City of Barrie will contribute \$10,000 to the program over the two-year delivery period. The contribution provides the opportunity to leverage greater grant funding through MEDG to increase the impact of the program to the entrepreneurial ecosystem. The contribution will be allocated within the existing operating budget of Invest Barrie. The remaining operating costs are funded by MEDG and leveraging the existing resources of the Small Business Centre.
14. The Small Business Centre accounts are maintained by the City and annual budgets are reviewed and approved by the Director of Business Development. Program audit costs have been factored into the Starter Company Plus budget.
15. The provision of the grants to approved recipients will be supported by the City's Finance staff as part of the program delivery.

LINKAGE TO 2014-2018 COUNCIL STRATEGIC PLAN

15. The recommendations included in this Staff Report support the following goals identified in the 2014-2018 City Council Strategic Plan:
- Build a global startup community
 - Eliminate obstacles to business growth and investment
16. The Starter Company Plus Program supports the goals of establishing Barrie as a centre for excellence in innovation and entrepreneurship by supporting and encouraging entrepreneurs to start, grow or purchase an existing business. Entering in to the Transfer Agreement with the Province of Ontario, will allow the Small Business Centre to obtain the provided funds necessary to deliver the program.