

# **The Corporation of the City of Kawartha Lakes**

## **Committee of the Whole Report**

**Report Number ED2019-021**

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**Date:** September 10, 2019

**Time:** 1:00 p.m.

**Place:** Council Chambers

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**Ward Community Identifier:** All

**Title:** Kawartha Lakes Small Business and Entrepreneurship Centre (KLSBEC) Program Funding 2019- 2022

**Description:** The City has received the 2019-2022 Ontario Transfer Agreement to deliver the SBEC Program. This report seeks Council approval to enter into an agreement with the Province.

**Author and Title:** Rebecca Mustard, Manager of Economic Development

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### **Recommendation(s):**

**That** Report ED2019-021, **KLSBEC Program Funding 2019-2022**, be received;

**That** the Mayor and Clerk be authorized to execute any documents and agreements required by the approval of this application; and

**That** this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

**Department Head:**\_\_\_\_\_

**Financial/Legal/HR/Other:**\_\_\_\_\_

**Chief Administrative Officer:**\_\_\_\_\_

## **Background:**

The Province of Ontario, through the Ministry of Economic Development, Job Creation and Trade, provides funding to support local economic development through the SBEC Program. The SBEC Program is comprised of the SBEC Core Initiative, Starter Company Plus Initiative and the Summer Company Initiative. These programs have been established by the Province to provide resources, training, and mentoring of entrepreneurs, businesses and youth and, where applicable, micro-financing to individuals to start, expand or purchase a small business in Ontario.

The three (3) initiatives offered through the SBEC Program were previously funded through separate agreements, with each covering a different program duration. Agreements for all three (3) initiatives concluded on March 31, 2019. Going forward, the Province has combined the three (3) initiatives into one (1) agreement with a three year (3) program funding period.

The 2019-2022 Ontario Transfer Payment Agreement for the SBEC Program has been received. This report is to seek approval of Council to sign the agreement and begin delivery of the program.

## **Rationale:**

In the City of Kawartha Lakes, the SBEC Program, inclusive of all three (3) initiatives is delivered through the Kawartha Lakes Small Business and Entrepreneurship Centre (KLSBEC) and is an integral part of the City's Economic Development program.

The CORE initiative provides business advisory support and skills development to entrepreneurs and small businesses to improve the success rate and longevity of small businesses and build growth and prosperity in local communities. KLSBEC program accomplishments over the past five (5) years include 1,450 consultations with entrepreneurs and small business owners, hosting workshops and seminars with 1,350 learning spaces, and directly supporting the start-up of 300 businesses and 450 jobs.

The Starter Company PLUS program provides training, mentoring and micro-financing to approved program participants to start, expand or buy a small business. KLSBEC program accomplishments over the past two (2) years include the training and mentoring of 65 participants, 30 grants awarded, 32 businesses started and 35 businesses expanded.

Summer Company provides training, mentoring and micro-financing to youth who wish to start a full-time business over the summer with a goal of inspiring more youth to choose entrepreneurship as a career option and equip them with tools to succeed. The KLSBEC has been running this program since 2003. Over that

time approximately 126 student businesses have been launched and run during the summer. A number of these students have continued in entrepreneurship and now own and operate their own businesses.

### **Other Alternatives Considered:**

No other alternatives have been considered.

### **Financial/Operation Impacts:**

The City's contribution to the SBEC program contract duration will be \$22,716, which is included in the Economic Development operating budget. The City also provides in kind support for the program through the provision of office and training space, and administrative support.

The maximum Provincial contribution available to the City for the 2019-2022 Contract is \$609,303. While this funding provides for the base delivery of the SBEC Program, it is a reduction in funding compared to previous contracts and will not provide for the robust program the community has come to know. Staff are working on a number of alternatives for funding and program delivery to continue to provide a robust and successful KLSBEC program to the entrepreneurs and small business owners for the duration of the new contract. These alternatives will be presented to Council in the 2020 budget deliberations.

As per the Agreement, the Province can terminate the program upon 30 days' notice, which would require the City to wind down the SBEC Program. The City may be left with the wind down costs to the extent that the costs to wind down the program exceed the additional, unspent funds it has had in its possession at the time of the notice. Due to the long standing nature of the SBEC program, Staff do not see the termination of the program as a likely scenario.

### **Relationship of Recommendation(s) to the 2016-2019 Strategic Plan:**

The SBEC Program directly supports the Council adopted Strategy Plan Goal 1- A Vibrant and Growing Economy and the Council adopted Economic Development Strategy, which actions the Council adopted Strategic Plan. The program supports the development of small businesses across the City which, in turn, contributes to the diversification of the local economy and expansion of local employment opportunities.

## **Consultations:**

Insurance Risk Management Coordinator  
Solicitor  
Treasurer  
Ministry of Economic Development, Job Creation and Trade

## **Attachments:**

Appendix A – Ontario Transfer Payment Agreement for SBEC Program



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Appendix B – Guidelines 2019 SBEC Program Core Initiative



GUIDELINES 2019  
SBEC Program Core Ir

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**Department Head:** Chris Marshall