



2015

ANNUAL REPORT



2015

ANNUAL REPORT

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INTRODUCTION

WHO WE ARE

Downtown Fredericton Inc. (DFI) is a non-profit Business Improvement Area dedicated to sustaining and encouraging growth and development in the central business district of Fredericton, New Brunswick. To do this we implement programs designed to revitalize, promote and enhance the commercial viability of the downtown on behalf of our 650 plus members in cooperation with private and public sector partners. Our goal is to create a vibrant downtown community, full of energy for you to enjoy.

ABOUT THE BIA

A Business Improvement Area (BIA for short) is a geographically defined urban area containing primarily non-residential properties generally located in a city's Central Business District. The BIA concept promotes a collaborative relationship between business and property owners, encouraging them to work together creating a vibrant and thriving downtown. Downtown Fredericton Inc. was founded in 1980 and received its official BIA designation under the aegis of the Business Improvement Area Act in 1982.

MANAGEMENT AND FUNDING

Downtown Fredericton Inc. is governed by a volunteer Board of Directors comprised of ten elected members from the business community and one appointed member from City Council. Members of the Board are elected at the Annual General Meeting and all are property owners and tenants within the BIA boundaries. All members are eligible to vote at the AGM, make nominations to, and serve as a member of the Board of Directors.

DFI has three full-time staff that are responsible for day-to-day management of the organization and implementation of programs as directed by the Board of Directors. Part-time and seasonal staff are hired to assist in peak periods of activity.

The operating budget of DFI is funded solely by a Municipal Business Improvement levy that is paid by all commercial properties within the boundaries of the BIA. This levy is based on a percentage of the property's assessed value and appears on the property tax bill. The rate for the DFI BIA is 20 cents per \$100.00 of assessed value.

OUR MEMBERS

Downtown Fredericton Inc. represents all commercial property owners and commercial tenants in non-residential properties located within the BIA. Businesses and property owners are automatically members of DFI by virtue of their location within the defined boundaries of the BIA (center line of Brunswick Street northward to the Saint John River and from the centre line of Smythe Street eastward to the centre line of St. John Street.

PROGRAMS AND FEES

PLANNING AND DEVELOPMENT

Downtown Fredericton inc. seeks input through member committees, and private and public stakeholder consultations to develop annual and long term goals for the organization. The plan is developed based on a community partnership approach, financial resources available and on priorities identified in the areas of administration, promotion, economic development, physical improvement, advocacy, business assistance and consultation services. The Board of Directors has final approval on recommended policies, programs and annual budget. Budget is then presented to City Council for final approval as part of the BIA mandate.

PROMOTION

As a BIA, our mandate is to promote the entire downtown community. A yearly marketing plan is developed in consultation with the Marketing & Communications Committee whose members include DFI Board members, staff and downtown business owner/operators. Our primary goal is to promote the downtown to new and existing consumer markets as the preferred place to shop, dine, work, live, play, stay and do business. Our main strategy focuses on attracting people to the downtown by creating and promoting a vibrant environment, a community and center of activity. DFI offers grants for event organizers and also coordinates seasonal and year round promotions and advertising campaigns that include co-operative advertising opportunities for downtown business members.

PHYSICAL IMPROVEMENTS

Programming designed to provide an attractive, safe, clean, and pedestrian friendly downtown include initiatives such as streetscape improvements and financial assistance for property owners and tenants for façade, security and parking improvements. Businesses that would like financial assistance with façade can apply and, if chosen, receive 50% of the total costs to a maximum of \$2500.00 per façade, maximum of two facades per building. DFI will cover 50% of the total costs of security improvements to maximum of \$1500.00 per property. DFI will cover 40% of the total costs of parking improvements to maximum of \$2000.00 per property.



ECONOMIC DEVELOPMENT

DFI works in partnership with private developers, all levels of government and community agencies to develop strategies that seek to support and enhance the level of economic stability of the downtown core. Programs that work to provide an attractive and welcoming downtown set the stage for economic growth, raising property values which benefit everyone. Programming includes redevelopment projects, business retention, recruitment and expansion strategies, tourism development initiatives, grants for downtown festivals and special events.

ADVOCACY

Downtown Fredericton Inc. provides a unified “voice” for downtown businesses on issues and areas of concern affecting the downtown core, working to inform and generate awareness among government representatives, policy makers and staff. BIAs can also be very effective in advocating change at the public planning and policy development level when problem areas have been identified.

BUSINESS ASSISTANCE AND CONSULTATION SERVICES

DFI offers a variety of business support services and programming designed to assist business members so they may compete effectively and prosper in today’s marketplace. Services include: research information, consultation assistance on marketing, advertising, façade & security improvements, signage, municipal by-laws and zoning, co-operative advertising opportunities, group volume discounted advertising rates, customer opportunities, group volume discounted advertising rates, customer service support programs, free business listings in promotional brochures, financial assistance programs, educational/ training resource support, downtown leasing information, free DFI website member directory listing including free links to their business website.

VISION STATEMENT

With its rich cultural history at its foundation, the City Centre will reflect Fredericton’s status as a capital city and will be the vibrant heart of business, government, learning, social, cultural and tourism activities. It will build on its success and become a place defined by excellence in design, innovation and stewardship. The Saint John River will once again be a feature of the City Centre. It will be a place that inspires and excites both residents and visitors. Above all, it will be a unique place – a place that captures the essence of Fredericton and its values, a place that is both proud and welcoming to all.

For more information and/or a current listing of Programs and Services offered by DFI, visit our Downtown Fredericton Inc. website at: www.downtownfredericton.ca

ANNUAL GENERAL MEETING DOWNTOWN FREDERICTON INC. WEDNESDAY, MAY 5, 2015

IN ATTENDANCE

Dave Traboulsee, River Valley Footwear
Marty Mockler, MHM Management
Barry Morrison, Morrison Holdings
Janet North, Westminster Books
Peter Pacey, Calithumpians
Shane Sutherland, S/S Tire
Kate Rogers, City of Fredericton
Nick Lawrence, Grant Thornton
Arnold Chippin, Chippins Limited
John Welling, Botinicals
Budd Lynch, Budd Lynch Consulting

Shawn Bilterman, JB Real Estate
Sett Chippin, Victory Meat Market
Paul Simmonds, Robert Simmonds
Mike Davis, Radical Edge
Tom Hoyt, NB Country Showcase
Shelly Ramey, Dr. Mike Ramey
Cindy Mills, Dr. Mike Ramey
Bruce Grandy, City of Fredericton
John MacDermid, City of Fredericton
Dan Keenan, City of Fredericton
Laurie Guthrie, Ignite Fredericton



ANNUAL GENERAL MEETING

WELCOME

The Annual General Meeting was called to order at 12:00pm.

President, Wes Ward, welcome to everyone in attendance, and to City Councillors in attendance, Kate Rogers, Bruce Grandy, Dan Keenan and John MacDermid.

Wes Ward introduced Kate Rogers, City of Fredericton Councillor.

Kate brought greetings from the City of Fredericton. Her ward is 11, which includes the downtown. The city and DFI work together and it is important for the city to continue working with Downtown Fredericton Inc. Kate also sits on the board of directors for DFI and she values the opportunity. By working together with the city we are a better place, enriching our downtown.

Approval of minutes from 2014 Annual General Meeting: Motion to accept minutes as circulated, moved by Dave Traboulsee, seconded by Mike Davis, motion carried.

AUDITED FINANCIAL STATEMENTS FOR 2014

General Manager, Bruce McCormack, introduced Nick Lawrence of Grant Thornton Chartered Accountants.

Nick reviewed the year end audited financial statements for 2014 for Downtown Fredericton Inc. Clean audit report, revenue is the levy amount that is received as one lump cheque, it is down a little from previous year, total revenue is \$553,000. Expenditures are consistent with prior years, totalling \$563,000, leaving a loss of \$9895 for the year.

Motion to accept audited financial statements as prepared by Grant Thornton Chartered Accountants, moved by Arnold Chippin, seconded by Shane Sutherland, motion carried.

Bruce thanked Nick for his time today and working with staff on audit.

Bruce showed tourism video to those in attendance.

PRESIDENT'S MESSAGE

Bruce introduced president Wes Ward, of Downtown Fredericton Inc.

Another year has passed and DFI continues to push forward in implementing our goals to revitalize, promotion and enhance the downtown. The City Centre Plan was released this year, DFI worked closely with the City of Fredericton on this project. A new strategic plan will be in place for the next 3-5 years for DFI.

HotSpot Parking has joined with City of Fredericton and works also with DFI on parking in our downtown, great for Fredericton.

Wes has enjoyed being a board member for Downtown Fredericton Inc. Thank you to Bruce, Vicki and Jenn for all you do throughout the year.

GENERAL MANAGER'S REPORT - BRUCE MCCORMACK

Bruce welcomed Trina MacDonald of Business Fredericton North, City Councillors present, Business Fredericton North president, Edwina Corey, Laurie Guthrie of Ignite Fredericton, and everyone in attendance for today's Annual General Meeting of Downtown Fredericton Inc.

PowerPoint Presentation – City Center Plan



A Connected & Activated Downtown Riverfront



Make Saint Anne's Point Drive a Riverside Promenade with buildings fronting the tree-lined street with active grade level uses, pedestrian crossing opportunities and public art to create an animated riverfront for all.





This collection of attractions, heritage buildings and open spaces, which underpins a unique and beautiful streetscape aspect along Queen Street, should be enhanced and activated to reflect its future role as a key downtown mixed use, cultural hub.

Big Moves

Restoring the Street Grid – long term

A regular street grid, consisting of a revived Campbell Street and the removal of the Westmorland Street Clover Leaf, will facilitate development of the surface parking lots adjacent to Saint Anne’s Point Drive. The completion of the street grid will consist of the creation of connections between north-south streets and Saint Anne’s Point Drive, as well as the construction of Campbell Street, and will require the co-operation of the Provincial and Federal governments.



MEMBERSHIP SURVEY RESULTS

Most Important To Businesses

- ▶ Promotions
- ▶ Planning and Development
- ▶ Economic Development

Most Important Campaign

- ▶ Festivals and Events
- ▶ Façade Improvement
- ▶ Christmas Campaign
- ▶ Conventions

Concerns For Businesses

- ▶ Weather
- ▶ Commercial Developments
- ▶ Big Box

Concerns For Businesses

- ▶ Available On-Street Parking
- ▶ Sidewalk Maintenance
- ▶ Clean and Safe Streets

Most Effective Advertising

- ▶ Word of Mouth
- ▶ Social Media
- ▶ Email
- ▶ Radio
- ▶ Newspaper

2015 PRIORITIES

- ▶ DFI Strategic Planning Session- Dr. Taylor Gray – May12th & 19th
- ▶ Complete Urban Design Plan
- ▶ Continue Facade Improvement Program
- ▶ Charity Meters – Funds to support - Fredericton Homeless Shelter and Fredericton Community Kitchen
- ▶ Hotel Development
- ▶ Public Street Art
- ▶ Performing Arts Centre
- ▶ Key Re-development of Properties:
 - 1. Centennial Building
 - 2. SMT/Commercial Properties

SPECIAL AWARDS PRESENTED BY GENERAL MANAGER,
BRUCE MCCORMACK

Façade Improvement Award for 2015 goes to Dr. Mike Ramey on Westmorland Street. Shelly Ramey was in attendance to accept award for Dr. Mike Ramey. Congratulations!

Mazzuca Award – The Mazzuca Award is awarded to a downtown business, business owner or individual in honour of their contribution and commitment to the character and spirit of Downtown Fredericton.

This year’s winner of the Mazzuca Award goes to Paul Simmonds, congratulations!

Strategic Planning Award – 2015 recipient is Marty Mockler, MHM Management.

Congratulations to all the award recipients!

NOMINATION REPORT

Re-offering: Matt Savage, Brad Toole, Donna Boudreau and Shane Sutherland. Wes Ward will remain as president for 2015-2016.

New Nominations for Board Directors for 2015-2016 Term

- ▶ Mike Babineau
- ▶ Jamie Boyle
- ▶ Barry Morrison

Bruce McCormack called for nominations from the floor 3 times.

Motion to cease nominations moved by Wes Ward, seconded by Paul Simmonds, motion carried.

General Manager Bruce McCormack welcomes Mike, Jamie and Barry to the Board of Downtown Fredericton Inc.

Other Business

None.

Closing

Bruce McCormack thanked everyone for attending the meeting and thanked Vicki, Jenn and Brandon for their work. This coming year is Harvest Jazz and Blues’ 25th year. We will be working closely with festivals and events this summer.

Meeting adjourned at 1pm.

AUDITED FINANCIAL REPORT
(DECEMBER 31, 2015)

Financial Statements

Downtown Fredericton Inc.

December 31, 2015

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Independent Auditor's Report

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To the Members of
Downtown Fredericton Inc.

We have audited the accompanying financial statements of Downtown Fredericton Inc., which comprise the statement of financial position as at December 31, 2015, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independent Auditor's Report (continued)

Basis for qualified opinion

Downtown Fredericton Inc. sells Downtown Dollars which function similar to gift certificates and can be used at most downtown businesses. As at December 31, 2015 there was a liability for Downtown Dollars totalling \$22,810, which forms part of the accounts payable and accrued liabilities on the statement of financial position. We were unable to obtain sufficient appropriate audit evidence about the accuracy or completeness of the balance of the liability related to Downtown Dollars, consequently, we were unable to determine whether any adjustment to the liability and excess of revenue over expenditures was necessary.

Qualified Opinion

In our opinion, except for the possible effect on the statement of financial position of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Downtown Fredericton Inc. as at December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Fredericton, Canada
April 20, 2016

Grant Thornton LLP

Chartered Accountants

Downtown Fredericton Inc. Statement of Operations

Year ended December 31	2015	2014
Revenue		
Business improvement area tax levy	\$ 583,227	\$ 530,072
Grants	4,414	10,000
Interest income	2,932	2,906
Miscellaneous income	3,218	-
Parking promotion	6,525	7,878
Regent St. Wharf (Note 8)	3,000	3,000
	<u>603,316</u>	<u>553,856</u>
Expenditures		
Amortization	11,484	18,329
Business development	30,539	30,026
City center plan	19,839	25,000
Grants (Note 3)	65,521	69,298
Interest	1,840	1,570
Maintenance	13,690	18,573
Marketing and communications (Note 4)	137,907	84,049
Occupancy and telephone	31,227	31,749
Office and postage	16,940	12,890
Parking token redemption	6,091	6,224
Professional fees	7,328	4,686
Regent St. Wharf	1,221	1,254
Salaries and benefits (Note 5)	200,427	221,039
Sponsorship	22,310	18,150
Strategic planning initiatives	4,121	20,914
	<u>570,485</u>	<u>563,751</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 32,831</u>	<u>\$ (9,895)</u>

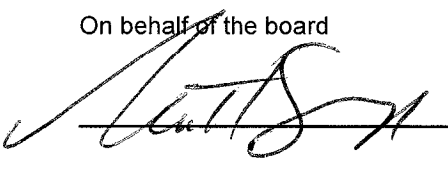
Downtown Fredericton Inc. Statement of Changes in Net Assets

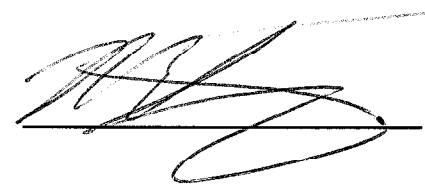
Year ended December 31	Severance Reserve Fund	Unrestricted	Total 2015	Total 2014
Balance, beginning of year	\$ 49,812	\$ 89,673	\$ 139,485	\$ 149,380
Excess (deficiency) of revenue over expenditures	-	32,831	32,831	(9,895)
Transfer	13,188	(13,188)	-	-
Balance, end of year	<u>\$ 63,000</u>	<u>\$ 109,316</u>	<u>\$ 172,316</u>	<u>\$ 139,485</u>

**Downtown Fredericton Inc.
Statement of Financial Position**

December 31	2015	2014
Assets		
Current		
Cash	\$ 83,683	\$ 45,694
Cash - restricted	63,000	49,812
Accounts receivable	28,460	25,105
Prepaid expenses	<u>4,415</u>	<u>6,069</u>
	179,558	126,680
Property and equipment (Note 6)	<u>50,631</u>	<u>62,115</u>
	<u>\$ 230,189</u>	<u>\$ 188,795</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 57,873	\$ 49,310
Fund balances		
Severance Reserve Fund (Note 7)	63,000	8,637
Unrestricted	<u>109,316</u>	<u>130,848</u>
	172,316	139,485
	<u>\$ 230,189</u>	<u>\$ 188,795</u>

Commitments (Note 8)

On behalf of the board

Director


Director

**Downtown Fredericton Inc.
Statement of Financial Position**

December 31	2015	2014
Assets		
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	172,316	139,485
	<u>\$ 230,189</u>	<u>\$ 188,795</u>

Commitments (Note 8)

On behalf of the board

Director

Director

Downtown Fredericton Inc. Statement of Cash Flows

Year ended December 31	2015	2014
Increase (decrease) in cash and cash equivalents		
Operating		
Excess (deficiency) of revenue over expenditures	\$ 32,831	\$ (9,895)
Item not affecting cash		
Amortization	<u>11,484</u>	<u>18,329</u>
	44,315	8,434
Change in non-cash working capital items		
Accounts receivable	(3,355)	(3,542)
Prepaid expenses	1,654	(2,353)
Accounts payable and accrued liabilities	<u>8,563</u>	<u>8,368</u>
	51,177	10,907
Investing		
Purchase of property and equipment	<u>-</u>	<u>(6,580)</u>
Increase in cash and cash equivalents	51,177	4,327
Cash and cash equivalents		
Beginning of year	<u>95,506</u>	<u>91,179</u>
End of year	<u>\$ 146,683</u>	<u>\$ 95,506</u>

Cash consists of:		
Cash	\$ 83,683	\$ 45,694
Cash - restricted	<u>63,000</u>	<u>49,812</u>
	<u>\$ 146,683</u>	<u>\$ 95,506</u>

Downtown Fredericton Inc. Notes to the Financial Statements

December 31, 2015

1. Nature of operations

Downtown Fredericton Inc. ("the Organization") is incorporated under the New Brunswick Business Companies Act and its principal business activity is to create and foster, on behalf of downtown business, an environment that attracts people to shop, do business and be entertained downtown. It is exempt from federal and provincial corporate taxes under paragraph 149(1)(l) of The Income Tax Act of Canada.

2. Accounting policies

The Organization applies Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Organization derives the majority of its revenue through the Business improvement area tax levy which is 20 cents per \$100 of property assessment in the defined area. This revenue is collected by the Province of New Brunswick through the property tax assessment process and, along with other revenue, is recorded on the accrual basis.

Property and equipment

Property and equipment are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is provided on either a straight line or declining balance basis over the estimated useful life of the asset.

The amortization rates used for each class of property and equipment are:

Regent St. Wharf	6 years Straight-line
Tender boat	6 years Straight-line
Office furniture and equipment	20% Declining balance
Tree lights	20% Declining balance
Computer equipment/software	20-30% Declining balance
Signs	10% Declining balance
Banners	20% Declining balance
Website	25% Declining balance
Parking tokens	5 years Straight-line
Poster boards	10% Declining balance

Cash and cash equivalents

Cash includes cash on hand and short term deposits.

Downtown Dollars

The Organization sells Downtown Dollars which function similar to gift certificates and can be used at most downtown businesses. Downtown Dollars do not have an expiration date and the Organization honours all Downtown Dollars redeemed by members. The Organization records a liability for unredeemed Downtown Dollars at the time they are sold, and the liability is reduced when the dollars are redeemed. At this time, the Organization has not reduced the liability to recognize breakage (Downtown Dollars issued that are not expected to be redeemed).

Downtown Fredericton Inc.

Notes to the Financial Statements

December 31, 2015

2. Accounting policies (continued)

Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- cash
- accounts receivables
- accounts payable and accrued liabilities

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instrument.

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm’s length transactions.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost.

The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates include useful life for property and equipment and the liability for Downtown Dollars. Actual results could differ from those estimates.

Downtown Fredericton Inc.

Notes to the Financial Statements

December 31, 2015

3. Grants

	2015	2014
Facade	\$ 27,258	\$ 25,035
Festivals and special events	34,350	37,150
Incentive program	-	1,740
Parking lot improvement	3,913	1,857
Security	-	3,516
	<u>\$ 65,521</u>	<u>\$ 69,298</u>

4. Marketing and communications

	2015	2014
General advertising & marketing	\$ 66,539	\$ 38,542
Seasonal promotions	49,170	33,856
Printing costs	9,516	8,837
Outside services	12,682	2,814
	<u>\$ 137,907</u>	<u>\$ 84,049</u>

5. Salaries and benefits

	2015	2014
Salaries - full-time	\$ 145,687	\$ 175,176
Salaries - summer/part-time	38,988	27,684
Benefits	15,752	18,179
	<u>\$ 200,427</u>	<u>\$ 221,039</u>

Downtown Fredericton Inc.
Notes to the Financial Statements

December 31, 2015

6. Property and equipment

			2015	2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Regent St. Wharf	\$ 80,054	\$ 80,054	\$ -	\$ -
Tender boat	6,567	6,567	-	-
Office furniture and equipment	79,050	70,089	8,961	11,201
Tree lights	43,016	39,040	3,976	4,970
Computer equipment/software	43,828	37,670	6,158	7,729
Signs	20,452	15,259	5,193	5,770
Banners	58,066	37,151	20,915	26,143
Website	3,861	2,639	1,222	1,629
Parking tokens	3,353	3,353	-	-
Poster boards	11,427	7,221	4,206	4,673
	<u>\$ 349,674</u>	<u>\$ 299,043</u>	<u>\$ 50,631</u>	<u>\$ 62,115</u>

7. Severance reserve fund

Effective in 2011, the Board of Director's adopted a severance package model for its permanent salaried personnel. Under this arrangement, for every year of full-time service, personnel would receive one week equivalent of their regular gross wages up to a maximum of twenty six weeks. This would apply to all eligible full-time staff members. An amount of \$13,188 was transferred to the fund during the fiscal year. Yearly allocations to the severance fund were to be made until the fund reached approximately \$63,000, which has been achieved during the year.

Downtown Fredericton Inc.
Notes to the Financial Statements

December 31, 2015

8. Commitments

The Organization leases operating premises under terms of a lease which is due for renewal in October 2018. The organization's annual gross rent obligation, under the current agreement, exclusive of occupancy costs, is \$18,000 plus HST.

The Organization has an ongoing management agreement with the City of Fredericton pertaining to the operation of the Regent Street Wharf facility. Under the terms of this agreement, the organization entered into another separate agreement in July 2008 with the Capital City Boat Club Ltd. (CCBC) to subcontract management of their wharf operations. The terms of the agreement include an option to purchase wharf assets currently owned by the Organization for a total amount of \$36,000. CCBC, on payment of an annual revised fee of \$3,000 (2008, 2009, and 2010 payments were \$6,000) has the right to use and enjoy all of these assets. This payment of the annual fee will satisfy the purchase price of the wharf assets by June 2016.

9. Financial instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposures and concentrations at December 31, 2015.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The entity provides credit to its clients in the normal course of its operations.

(b) Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

There have been no significant changes in exposures to the various risks from the prior year.

BOARD OF DIRECTORS
DOWNTOWN FREDERICTON INC
2015-2016

PRESIDENT

Wes Ward - Capital Complex, 362 Queen St	459-3558	capitalbar@gmail.com
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VICE-PRESIDENT

Matt Savage - Savages Bicycle, 441 King St	457-7452	msavage@sbcoutlet.com
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SECRETARY/TREASURER

Mike Davis - Radical Edge, 386 Queen St	459-3478	mike.davis@nbnet.nb.ca
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DIRECTORS

Brad Toole - Wilson Insurance, 404 Queen St	458-8505	mike.davis@nbnet.nb.ca
Heather Libbey - NBCC, 457 Queen St	444-2435	heather.libbey@gnb.ca
Malcolm Suttie - Room 2 Remember, 100 York St	472-0400	malcolm@room2remember.com
Shane Sutherland - S/S Tire, 315 Brunswick St	458-8262	sstire@rogers.com
Kate Rogers - City of Fredericton, Queen St	460-2020	kate.rogers@fredericton.ca
Mike Babineau - The Blue Door, 100 Regent St	455-2583	mikeb@thebluedoor.ca
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STAFF

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PRESIDENT’S REPORT

MEMBERS,

Another year has passed and Downtown Fredericton Inc has had another great year. Exciting things are coming to our downtown with the development of a new hotel in the East End and the implementation of the new City Centre Plan.

The City Centre Plan was released to public and suggests a reconstruction of Carleton Street as well as moving the City Transit bus terminal from Kings Place to Brunswick Street. We will continue to work with city staff in the next steps of the plan.

The Kindness Meter initiative was launched in partnership by Downtown Fredericton and the City of Fredericton. Funds raised through the Kindness Meters will be split 50/50 between The Fredericton Homeless Shelters and Fredericton Community Kitchen. Both organizations provide services to those in need in our community.

Downtown Fredericton sent out a survey to our membership asking them what their priorities are and what they would like to see DFI focusing on. We also had a Strategic Planning Session with Dr. Taylor Grey to compile a strategic plan for DFI for the next 3-5 years to help us move forward.

The Atlantic Institute of Planners has chosen DFI and the City of Fredericton as winners for our outstanding City Centre Plan authored by the Planning Partnership.

I would like to thank the Board Members and staff of DFI for their time and effort over the last year. As I step down as President of Downtown Fredericton Inc, I would like to take this opportunity to welcome incoming President, Matt Savage and newly nominated board members.

Sincerely,
Wes Ward
President, Downtown Fredericton Inc.

YEAR 2015 - DOWNTOWN FREDERICTON PRIORITIES IN REVIEW

Each year, with our Board, we look for opportunities we feel will help our members strengthen and grow their businesses. We continue to support the theory that if we can keep our downtown clean and safe, we will continue to see Downtown Fredericton stay healthy and vibrant. In 2015 DFI looked at new opportunities and ideas we felt would help lead to a strong and healthy downtown. Listed below are the main objectives.

- ▶ DFI Strategic Framework and Corporate Plan - Dr. Taylor Gray of Tacit Elements helped us create a new corporate framework that developed a core strategy during sessions May 12th & 19th, 2015
- ▶ Work with the city to complete Urban Design Plan for the Public Realm
- ▶ Continue to improve the Façade Improvement Program
- ▶ Continue the Graffiti Removal Program
- ▶ Kindness Meters Pilot Project (funds used by the Fredericton Emergency Shelter and the Fredericton Community Kitchen)
- ▶ Help the city implement "After Peak Parking" along Regent St. between King and Queen
- ▶ Support a new hotel development
- ▶ Support and encourage city council to adopt a Public Art Policy
- ▶ Support a new Performing Arts Centre in downtown
- ▶ Support the Historic Garrison District Master Plan
- ▶ Support key re-developments:
 1. Centennial Building - King Street
 2. Irving/ comm. Property- Regent and King Streets

As listed above Downtown Fredericton Inc had a number of priorities outlined for 2015.

Here are details on a few of the more important priorities:

DFI Strategic Framework and Corporate Plan

Dr. Taylor Gray of Tacit Elements developed a core strategy for our organization to follow. There were five key areas of focus:

1. Approve the City Centre Plan and look at expanding the downtown boundary, as suggested in the plan.
2. Develop, review and approve the City Centre urban design plan for the public realm.
3. Ensure compliance with the City Centre Plan – consider hiring a certified Urban Planner to work with the developer and the city building officials.
4. Enhance Public Engagement and Communication – fill the vacant position of Marketing and Communication Coordinator.
5. Develop a macro-project development program. List the projects over the next five to ten years that could happen in downtown, and engage the public by reaching out for their opinion and input. Start a conversation about these new developments.

Panhandling

The members on Queen St. came together to discuss the ills of panhandling on downtown streets, the effects on retail and the concerns heard from their customers. Martin Aitken coordinated a number of meetings with the businesses along the 400 block of Queen St. including Fredericton City Police and DFI.

Councilor Greg Ericson chaired a Panhandling Task Force dealing with the concerns from Martin's group as well as other suggestions. The committee looked at a street performer/busker bylaw and encouraged council to adopt the policy. We also had a number of public awareness articles written to better understand the issues of panhandling.



ARTICLE WRITTEN BY LANE MACINTOSH FOR DOWNTOWN FREDERICTON “REACHING OUT”

Every time Joe walked past a panhandler, he felt bad that people had to resort to asking for money on the street. For him, panhandling symbolized larger social problems, problems brought on by poverty and homelessness. Like many Canadians, he found it hard to understand that in such an affluent country so many could have so little. Sometimes he gave a loonie or two to the panhandlers he encountered. Other times, he just smiled and passed on an encouraging word.

Homelessness and poverty are serious issues. Government social programs are not enough especially those that deal with mental health and addiction issues. A recent study by UNB researchers revealed that there are close to 200 young people in Fredericton who are either homeless or vulnerable to homelessness.

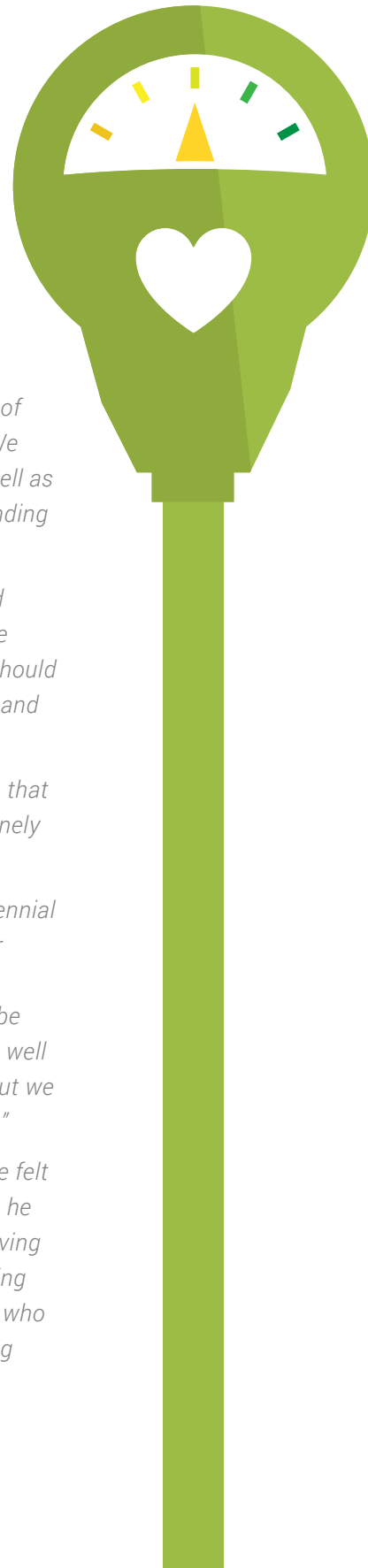
“Dealing with the issue of panhandling in the downtown is a delicate balance but we’re trying to find solutions,” says Fredericton city Councillor Greg Ericson, chair of the City of Fredericton & Downtown Fredericton Incorporated Joint Task Force on Panhandling. “We have to be sensitive to the needs of people who are caught in the cycle of poverty as well as to the needs of downtown businesses who shouldn’t have to put up with someone standing in front of their place of business all day expecting to receive money.”

Ericson, who has been involved with homelessness issues for years, says the proposed busking bylaw, the new Kindness Meters, and sidewalk beautification will help make the downtown a more pleasant place. He says that people who want to help panhandlers should consider supporting organizations such as the homeless shelters, community kitchen, and other outreach programs.

“These organizations are doing excellent work and supporting them financially ensures that money goes to help those who are the most vulnerable. They are the people who genuinely need help.”

Joan Kingston, nurse manager of the Downtown Community Health Centre in the Centennial Building, believes building and supporting an effective network of outreach services for people living in poverty is essential. “We want them to know that there is help available when they’re dealing with their issues and that they can come in right off the street or be referred to us by any of our outreach partners,” she says. “We have a physician here, as well as nurses, nurse practitioners, social workers and other mental health professionals. But we also reach out to people who just want a cup of coffee or shower and laundry facilities.”

As he walked past the panhandler to whom he had given a loonie a few days earlier, Joe felt uncomfortable that people need to resort to asking for money on the street. As always, he gave them a smile and some words of encouragement. This time, though, instead of giving a loonie or two, Joe dropped some change into one of the new Kindness Meters. Knowing that he was contributing directly to organizations providing outreach services to those who genuinely need help was encouraging. It gave him a good feeling, a feeling he was doing something positive.



Graffiti

Graffiti continues to be a sore spot for our property owners in downtown. Thousands of dollars are spent each year to remove graffiti. Tags and other forms of graffiti are illegal acts of vandalism and must be stopped. The Fredericton City Police have been involved with DFI to develop enforcement strategies. This work continues. We need all downtown businesses, employees and customers to help and call the police immediately if you see a property being vandalized.

Skateboarding and supreme biking on city sidewalks, steps of private properties and Officers Square is another safety concern for our customers and visitors. We continue to discuss these issues and look for more support from the city police. This is the very reason that Foot Patrols downtown are good and very worthwhile. We need to continue the discussion.

WHAT’S ON TAP... FOR 2016

1. Micro-Breweries – along with the growler station and tastings at Picaroons’ Brewtique on Queen St., we have the new Abbey Café and Gallery and Ciderhouse - a new vegetarian café also serving Red Rover Apple Cider. What a great combination. Our outgoing President is in the process of developing Gray Stone Brewing on the west side of town at the corner of Northumberland and King streets. These are all within walking distance. Adding to the downtown outlets, Fredericton has 4-5 other micro-breweries which have either opened or are close to opening in the city. Fredericton is “On Tap” for a great new tourism industry that will attract millennials from across the country.
2. WE NEED an address for the Performing Arts Centre; we need that address ASAP so specific site planning can begin. Time is of the essence.
3. New Downtown Health Clinic at the old Sweetwater’s/I-rock location. The first clinic, located on the west end of the Centennial Building has already outgrown its space. This clinic is so much more than just a methadone clinic. The new concept of a teaching health clinic is very timely as some of our seniors, students and the new immigrants moving to Fredericton do not have doctors. This new concept may become the norm across the province in years to come. The Province made the right decision by choosing a downtown location.
4. DFI supports the City of Fredericton’s plan to manage all aspects of the overall programing of the Historic Garrison District.
5. DFI will work with the city and support the new HGD Master plan. This plan will increase the number of programs, activities and commercial opportunities, and it stands to increase the number of visitors to downtown.
6. New Parking Study to be completed by 2017.
7. Work with the new city council and developers to encourage them to adopt a Public Art Policy for Downtown.
8. Change Queen Street from one-way to two-way: late fall 2017.
9. New Hilton Garden Suites: work with the FCC, the Crowne Plaza and Hilton to develop programs that bring visitors downtown.

10. Façade Improvement Program: enhance the program to build new retail space in new downtown developments. Also use this program to renovate space in vacant second and third floor spaces for new start-up companies.

11. DFI must be part of the discussion and work with the city on the new Municipal Master Plan. This exercise will be mainly the responsibility of the Planning Department, but will include other city departments as well. The new municipal plan will set the direction of our city and the downtown over the next 10-15 years. This grueling exercise will include many, many public discussions and open houses and we need the public's input. It will also be vital that our members become involved as well.

12. Continue work on expanding the boundaries of Downtown Fredericton as outlined in the City Centre Plan.

As you know, DFI has been using the services of Ginger Design for our Marketing and Communication efforts for the past two years. A big Thank You to them. Although we have enjoyed working closely with Ginger and their wonderful staff creating all aspects of our marketing efforts, the Board has decided to fill the position of Marketing and Communications Coordinator. We look forward to a continued working relationship with Ginger. Their Marketing Report outlines the many areas where they have helped with our marketing and promotional efforts over the past year.

I would like to thank our retiring President, Wes Ward (Capital Bar), for his time and guidance over the past years. We wish him well in his new endeavor as owner of Gray Stone Brewing. To our Executive, Matt Savage and Mike Davies, thank you for your time and effort to advance this organization. I would also like to say thank you to our Council representatives Kate Rogers and Steven Chase. Their role as information conduit is sometimes very difficult, so I appreciate their ongoing support and guidance to me and to DFI.

Last, but certainly not least, I would like to thank Vicki Stickles for her continued dedication to this organization. I would like to thank her for stepping up and helping out with many added responsibilities and details that were required while the Marketing position was vacant. She has displayed a true team effort.

A big tip of my hat goes to Scott McGrath and Chris Anderson who are our seasonal employees, tasked with keeping our downtown clean seven days a week. Without these two, tourists and visitors would not tell us repeatedly "what a beautiful Clean City we have."

I would like to welcome Krista Rae as the new Marketing and Communications Coordinator. Krista has excellent experience and skills from her past positions at Kings Landing and Fredericton Tourism. If you haven't met Krista yet, she will be out and about, meeting with you and discussing new opportunities to market and promote Downtown.

I look forward to continuing work with our members, the Board, our business agency partners, City of Fredericton staff and Council with an objective that we all work together to achieve the best for Fredericton.



TO THE MEMBERS, BOARD AND STAFF OF DOWNTOWN FREDERICTON INC.

In March of 2015, Downtown Fredericton Inc. retained Ginger Design Inc. to provide Marketing and Communications services on an interim basis. The purpose of the contract was to assist in the day to day marketing and communications duties while the regular Marketing Coordinator position was vacant.

We were tasked with continuing the regular marketing activities, while also preparing a marketing plan to take advantage of many new marketing opportunities available. Our research for this plan involved discussions with members, partners and stakeholders, as well as a public survey component.

In Summer of 2015 we submitted our marketing plan to the Board of Directors. This plan outlined a year long series of marketing activities and renewed concepts for long standing annual promotional campaigns. The overall concept for the new marketing plan was to focus on digital tools to spread positive messages in the community about our downtown. A major component of this plan was a redistributed budget allowing for online activities in order to increase the effectiveness of the marketing activities.

Highlights of this plan included a renewed series of holiday campaigns (#DearDowntown), as well as the introduction of a new summer campaign (#LoveYourDowntown). The goal of the holiday campaign was to increase traffic and sales within the BIA, while the goal of the summer campaign was to celebrate our downtown and encourage citizens to reflect on our great downtown area, as well as the many great businesses located within.

The #LoveYourDowntown campaign was largely successful, with the campaign video reaching over 23,000 views and the overall ad campaign reaching a total of 1.1 million campaign impressions. The contest portion of this campaign received over 900 entries. We conducted random on-street questionnaires on this campaign and 90% of those sampled were familiar with the campaign and the majority of respondents viewed the campaign in a positive light.

The #DearDowntown holiday campaign was also largely successful. The campaign video received over 27,500 views. The Facebook component of this campaign reached more than 86,000 unique viewers with more than 5,500 comments, clicks, likes and shares, combined.

The introduction of the Kindness Meters in the Downtown was another success story we would like to share. The launch of this initiative was very well received and reported on by the media. The communications were carefully planned and executed to ensure the positive community spirit of the partnership was the focus of the launch. Downtown Fredericton's Facebook post regarding the Kindness Meters was shared more than 800 times and received over 1700 likes. The community response to this campaign was closely monitored and we perceived the public response to be overwhelmingly positive.



Twenty-Fifteen also saw a marked increase in activity for social media. Downtown Fredericton Inc.'s Facebook following increased by 31% and realized a major increase in post engagement. Downtown Fredericton Inc. launched a new Instagram account that received close to 1200 followers in the first 6 months.

The last item we would like to report on is the success of the #MeetYourDowntown initiative. This new, weekly social media feature highlights an employee of a member business and shares their photo and a quote on why they love working in the downtown. These posts have been very popular and receive, on average, hundreds of likes. This campaign has a regular following and has generated much interest in being featured.



In conclusion, I am pleased to report that 2015 was a very successful year for marketing and communications at Downtown Fredericton Inc. We tried a lot of new initiatives and campaigns, and while the majority were a great success, there were a few smaller initiatives that didn't gain the traction we had hoped. However, these were all valuable learning lessons and overall, contributed to the success of the year.

On behalf of the team at Ginger, I would like to express our appreciation for the trust and guidance we have received from the members, board and staff of Downtown Fredericton Inc. and we look forward to continuing to be an active member of one of Canada's best downtowns.

#LoveYourDowntown

Andrew Bedford
CEO, Ginger Design Inc.



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