

Annual Report



2018

Annual Report

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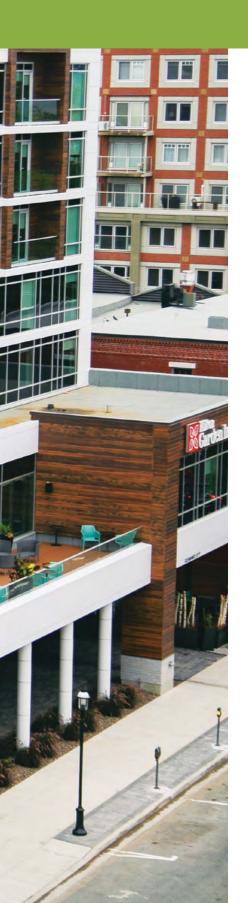
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MEMBERS.

At its core, Downtown Fredericton is an advocacy organization that has one simple goal: Make Downtown Fredericton better. Pretty simple on paper and a little more complex in the real world.

As we work toward this goal, DFI is continually engaged with our primary partner, the City of Fredericton. We have developed an excellent working relationship with the city, it's council, and we look forward to working together in the coming year! Additionally, we continually work with businesses and property owners to ensure our Downtown is vibrant, exciting and welcoming. By extension, each-and-every individual who enters our Downtown is our partner.

Downtown Fredericton is continually changing. It's alive; there's a sense of excitement when new business owners choose Downtown as the place to be. When business expands, we cheer, and sadly, from time to time, we mourn the loss of a long-standing business. This is the ebb-and-flow of Downtown and this is what it's all about. Things change. For over 30 years, through these changes, DFI has worked tirelessly for the betterment of Downtown Fredericton.

So...after 30 years of hard work, here we are.... Due in no small part to the continued support we receive from our primary partner, the City of Fredericton, Downtown Fredericton is currently undergoing a generational explosion!

With two new office buildings currently under construction, and a third (on Queen Street) to begin shortly, things are changing for the better! Over \$75 million in private investment isn't to be taken lightly. There is a confidence in our downtown. It's tangible. It's real. It's getting better all the time.

The evolution of Officer's Square will continue this summer. \$8.5 million in much needed upgrades will bring new life to a public space that will be enjoyed for generations to come. As demonstrated by the debate around this evolution, there is no doubt that Frederictonians at large feel a connection to this space. We have worked hard (in partnership with the City of Fredericton) to ensure that this connection will remain, and grow stronger, for all.

Downtown Fredericton Inc. recently expanded its boundaries to include all of Brunswick Street, including the Boyce Market and the Victoria Health Centre Property. We are excited to bring our voice to these new businesses! With access to our Façade Improvement programs for signage, security, parking, and graffiti removal, these businesses will see marked and immediate improvements and benefits.

Notwithstanding this growth, there are changes and challenges ahead.

Centennial Place Remains and obvious and identifiable opportunity for growth. Rest assured we are working with stakeholders at all levels to ensure that this property doesn't sit idle for long!

An immediate short-term parking crunch is coming at us full-steam-ahead. We are working diligently with the City of Fredericton and other partners to ensure that a parking facility is constructed as soon as possible. Coupled with obvious solutions, such as moving City Transit busses off King Street, and short-term by-law amendments to allow parking where old buildings once stood, we can gain upwards of 400 parking spots!

On the home front we couldn't adapt to change without the help of our in-house staff. I would like to personally thank both Vicki Stickles and Krista Rae for the outstanding work that you do. Vicki, our office manager, has been with us for nearly 20 years; her expertise and ability to keep things running smoothly is always appreciated and necessary. Krista is our Marketing Wizard – when you see a DFI logo, or a social media post, you know that Krista has a part in it. Each of you have helped change how DFI functions, and for this I thank you.

Our General Manager, Bruce McCormack, has been at the helm of DFI for 30 years. Bruce has been, and continues to be, a tireless advocate for our Downtown. We are better for having you. The city is better for having you. We can't thank you enough for your dedication to Downtown.

Things Change and they will continue to do so. We can't predict the future, but we will continue to work to guide the changes that will affect Downtown Fredericton. I have every confidence that we will get it right; that we will work to ensure the best possible Downtown for all Frederictonians to enjoy for years to come!

All the best, Matt Savage President Downtown Fredericton Inc.



About Downtown Fredericton

WHO WE ARE

Downtown Fredericton Inc. (DFI) is a non-profit Business Improvement Area dedicated to sustaining and encouraging growth 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 up to 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 (centre 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).



Board of Directors and Staff

2018-2019

PRESIDENT

Matt Savage – Savage's Bicycle Center

VICE-PRESIDENT

Mike Davis – The Radical Edge

SECRETARY/TREASURER

Shane Sutherland – S/S Tire and Auto Service

DIRECTORS

Heather Libbey – Opportunities New Brunswick Mike Babineau – Cora Breakfast and Lunch Barry Morrison – Morrison Holdings Ltd. Vanessa Gray – Cox & Palmer Gabriel el Zayat – Property Owner Jim Allain – (on behalf of) Andal Corporation Adam Clawson – M Eng, Red Rover Cider Chelsey Daley – Sequoia Fredericton Stephen Chase – City of Fredericton

STAFF

Bruce McCormack – General Manager 461-8323 | bruce@downtownfredericton.ca

Vicki Stickles – Office Manager 458-8922 | vicki@downtownfredericton.ca

Krista Rae – Marketing/Communications Coord. 461-7484 | krista@downtownfredericton.ca





Programs

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. The budget is then presented to City Council for final approval as part of the BIA mandate.

PROMOTION

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, community and centre 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 façades per building. DFI will cover 50% of the total costs of security improvements up to a maximum of \$1500.00 per property. DFI will cover 40% of the total costs of parking improvements up to a 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 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, 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







What can I say about 2018? only that....

There were several downs in 2018 which included a spring flood that reached 8.31m (just under 2008 level at 8.36m and 1973 at 8.61m), the Regent and Queen Streets intersection construction that felt like it went on for ever, retail sales were up and down and we got a new provincial government that mothballed the Centennial Building and Provincial Court House development. But on the up side, the Hilton Garden Inn opened, the Fredericton Convention Centre had a banner year, we received approval to expand our BIA, and downtown building construction and other development announcements were made, which will set records in the downtown over the next two years.

In 2015 the City Centre Plan was approved. To date, the plan has played a significant role in forming the vision of our downtown and now we are beginning to see the benefits. Out of that plan a number of other important areas of concern have been identified and subsequently studied including the Arts and Cultural implementation strategy and the Historic Garrison District redevelopment plan.

The Historic Garrison Plan has been discussed, reviewed and strategized for the past three years and has been a priority of City Council since they purchased Officers' Square from the Province and which includes general maintenance and upkeep. While owned by the Province, the square hadn't received proper upkeep for many years. As the major festival and event venue located in the City's core, with tens of thousands of residents and visitors using the space year-round, it is worn out and in disrepair and needs major fixing up to be safe and functional.

The city has been able to find a solution to save the trees and will be beginning the wall reconstruction and repair as soon as the flood waters recede. DFI supports the revised plan and looks forward to the

As mentioned above, the Province axed the Centennial Building redevelopment and the construction of the new Provincial Court House. Our board supports this decision, with the hopes that the Province can get their fiscal house in order. Having said that, we firmly believe the Province should post this building and the adjacent property as surplus and entertain development proposals from the private sector. We are confident that if an RFP was issued there would be a number of good, sustainable ideas that would come forth for the redevelopment of this iconic building. We hope this will not remain empty and go unused for any length of time.

For decades it has been a common practice for commercial delivery vehicles to double park on Queen Street. All of a sudden, a decision was made that the practice must stop, and no notice was given to allow time to prepare for a significant change in practice. This was unbelievable! It's very difficult to understand when a downtown is vibrant, businesses

are booming and customers are spending money. Goods and services must be received by business in a timely manner; delivery is very important. So what's the big deal? Delivery on Queen Street has been going on for sometime, double parking on a one-way street has not been a big problem, no has been injured and enforcement of the loading zones has not been consistent and unloading spaces are very limited.

If it was as easy just to change the city bylaw we would have had that discussion, but, it is a Motor Vehicle Act infraction which is under Provincial authority. The drivers can be fined, can lose points, and if this happened a number of times the driver could lose his or her drivers license, and can even be dropped by both the delivery company insurance as well as their own private Insurance. Not good for the driver, not good for downtown businesses, and in turn not good for customers.

Following the sudden change in practice, and learning that there was no willingness to allow double parking any longer, work began with the City's Traffic Division and Parking Services to find an alternate solution. So, in the spring of 2019 there will be a pilot project that changes where and when commercial vehicles can park to unload that we hope resolves the problem. Street markings and parking signage will be done in May.

Back in 2016 the city began to review the downtown parking situation and hired a consultant to identify issues and problems in the current parking system and find solutions and new technology for some of our parking issues and supply. The operation, the parking system and the inventory of space was all reviewed as well as



other important details. The final Downtown Parking plan was just released in March 2019. It is available online on the city's website. DFI has been pushing hard for a new parking structure. As you know Kings Place had to remove half of their parking spaces due to an unsafe structure. Those two hundred spaces have not been replaced, and as of Jan.1, 2019 the Brunswick St. Parking Garage was sold, so along with a number of new proposed developments in downtown we are seeing evidence of a parking supply problem. Some of that evidence comes from commercial brokers who are trying to lease space and the potential tenants who want to locate downtown are unable to find long-term or employee parking. The parking study calls on the city to partner with Kings Place and replace the lost parking spaces and if feasible add more parking spaces. DFI would like Council to make a decision on this in 2019. The study also recommends that the city begin discussion with the province on parking issues. The discussion may include encouraging more government employees to use city transit to free up space, as well as looking at a pilot program on the residential streets in the downtown Platt and university area.

Just before the Parking study was released the City's new Transit Plan was released; these two studies go hand in hand and we encourage City Council to work with these two studies in a cohesive manner.

Clean and safe is a big priority of Downtown Fredericton and now with the expansion of our BIA we will be extending our boundaries and including the new area for street maintenance and extending the opportunity for our new members to apply for façade, security and parking lot improvements. We look forward to reaching out and welcoming our new members over the next few months.

Along with the Façade Improvement program, DFI is committed to working with the City Police on sidewalk use enforcement, have all graffiti removed, work with the City to have a successful Busker Program and engage as many members as possible to work on other issues that are necessary.

Each year I look at our organization and I realize that without a committed Board and Executive and a loyal and devoted staff that continues to believe in downtown, our organization would not perform at a satisfactory level. As challenging as 2018 was, our Board of Directors stood strong, stayed true to our vision and supported the approach that was recommended. The outcome was worth it.

GENERAL MANAGER'S REPORT

Downtowns are fragile, they continue to change and evolve and with good, strong strategic planning to follow we see success. Our members have always supported good, planned changes that positively affect them and their customers. We must continue in this direction.

I would like to congratulate Vicki on her twentieth anniversary with Downtown Fredericton. That in itself says a lot, but Vicki has been a valued employee that continues to strive to perfect her role and responsibilities. On the first of April this year Krista celebrated her third year with downtown, I thank her for her positive attitude and for working hard with our members to position them to succeed and grow.

I would like to thank Scott and Chris for continuing to keep downtown clean.

As we head into year 2019, I will tell you this will be another record breaking year for development in Downtown Fredericton, we will see over \$100 million in new planned developments including both commercial and residential.

I would like to congratulate Mr. Jim Ross and Mr. Earl Brewer for showing their confidence in Downtown Fredericton by each developing new commercial office space. As well, Tony George and Gabriel El Zayat are each proposing new residential developments on the upper end of Queen St. which are planning to begin construction this year and there may be another announcement very soon for another new residential development in downtown.

As mentioned, Queen Street at the intersection of Regent will see construction of the new wall around Officers' Square. This construction will begin in May after the flood and end by Canada day. The parking along the northside of Queen St from Regent to 530 Queen and the adjacent traffic lane will be closed during construction. The southside parking and traffic lane will remain open.

After Canada Day Victoria Circle at the intersection at Smythe and Brunswick Streets will be under construction. The time of construction will run all summer and into early fall. The East/West traffic will be detoured allowing the North/South bound traffic to remain open during construction.

The Bill Thorpe Walking Bridge will be closed after the Harvest Jazz and Blues festival for structural maintenance and resurfacing. That will be complete by end of December.

In closing, I look forward to continuing to work with our old and new members, the Board of Directors, our Agency Partners, the City Staff and Council with our main goal of making Fredericton the best it can be.





Marketing Report

We are very lucky in Downtown Fredericton to have such active and diverse businesses, cultural attractions, events and programming – all which combine to make our advertising and promotions appealing to the public! Although 2018 was a year that presented our business improvement area with a few challenges it was also a year of growth where we welcomed new businesses and developments.

FROSTival kicked off the year in January, including many downtown activities which included the increasingly popular Shivering Songs, Dine-Around Freddy, an Ice Sculpture Showcase, and a new event which Downtown Fredericton co-hosted: FROSTival Gallery Hop. Despite a bad-weather day, turnout to this event at our downtown galleries was high with patrons able to enjoy world-class art and entertainment at Gallery on Queen, the George Fry Gallery at the New Brunswick College of Craft and Design, the Beaverbrook Art Gallery, Gallery 78, the Charlotte Street Arts Centre.

In 2018 we added a second sale of our Downtown Dollars in the Spring. Unfortunately, the date set for the event, May 2, fell during the peak of the flood, so we made the decision to change the date by a week. We did not sell all of the dollars that were available, but still met with reasonable success despite the forced change.

Year two of the downtown Busking Pilot Program began in May. We issued 44 busking permits (an increase of 25 over our inaugural year in 2017). This increase showed us that the program is welcomed by our local talent. Each year of the program brings new learnings which we use to tweak and improve.

Following discussions with members who were struggling with obstacles including the flood, construction and an increase in online shopping, we decided to launch a summer radio campaign with the theme of saying "Thank You" to our loyal local patrons. The campaign ran for several weeks in July, spreading information about the ways choosing to shop local contributes to our economy.

In June, the City's Tourism Department launched the Garrison Night Market on the new shared block of Carleton Street. The GNM met with great success over its 12-week run on Thursday nights. Downtown Fredericton attended the market early in the season to give away Market Bags along with copies of our Shopping & Dining Guides to encourage market-goers to continue to explore the downtown.

The Gallery Hops continued in the summer (one in July and one in August). These were held on Thursday nights to coincide with the Garrison Night Market and take advantage of the crowd already in the downtown and move people around while they were already downtown.

During the summer months we ran digital advertising campaigns in both Saint John and Fredericton. Targeting specific events in Saint John and hotels in Fredericton, our various ads produced click through rates of 0.12% - 0.19%, all above the typical average of 0.08-0.09%

BLOWOUT OOLLAN 1 DAY ONLY Tuesday, November 20 9:00AM-12:00PM (While Supplies Last)







MARKETING REPORT





As the Harvest Jazz and Blues Festival approached, we worked with festival organizers and downtown businesses to launch a new take on our yearly window decorating contest. This year we opened the judging up to the public, and offered prize packages to both the winning business and a voting member of the public. This contest was very well received with over 1600 votes and a reach of over 19000 people. It was a close run between Blonde and Boom, with Blonde edging out the lead in the end.

The Fredericton Community Foundation held it's second annual Kindness Week in early November which gave us the opportunity to launch a new partnership with Hotspot in conjunction with our Kindness Meters. Hotspot offers its users the ability to donate to the Kindness Meter program directly through their app. We were able to give the new giving opportunity a second push a few weeks later on Giving Tuesday. All monies collected through both the physical meters and through Hotspot's app are split evenly between the Fredericton Homeless Shelters and the Fredericton Community Kitchens.

Our Christmas Campaign was once again the largest campaign of the year and consisted of a variety of events and tactics, all to promote our downtown as the premier place to shop, dine and enjoy during the holiday season. Elements of the campaign included:

- Downtown Dollar Blowout
- Black Friday (35 participating businesses)
- Free Parking with Hotspot November 23 and December 14
- Sunday Shopping (30 participating businesses)
- Nutcracker Window Display Contest
- Find the Nutcracker contest
- Locally targeted digital advertising (yielding click through rates between 0.16% and 0.32%!)
- Co-op Radio Advertising Opportunities
- Santa Claus Parade
- Mayor's Christmas Tree Lighting
- Family Holiday Party (with partners The Fredericton Public Library and Chess Piece Patisserie)
- Santa's Downtown Dollar Days
- Elm City Echoes

Also in 2018, we reached a few Social Media milestones, hitting 10,000 followers on Facebook, 15,000 on Twitter and 5,000 on Instagram! And as always we have year round advertising and information available to the public through a variety of mediums – radio, the Shopping & Dining Guide, the Downtown Fredericton website our Google Business Listing to name a few, all in place to continue promoting Downtown as THE place to Shop, Dine, Stay and Play in Fredericton!

Respectfully submitted, Krista Rae Marketing and Communications Coordinator Downtown Fredericton Inc.



Annual General Meeting

DOWNTOWN FREDERICTON INC. WEDNESDAY, MAY 23, 2018

IN ATTENDANCE:

Cassandra Blackmore Adam Clawson Andrew Bedford Jane MacTavish Maggie MacTavish Jim Allain Matt Savage Mike Davis Peggy Currie Mayor Mike O'Brien Cathy Pugh Melinda Jarrett Krista Ross Tim Yerxa Fred White Janet North Stephen Chase Peter Pacey

Dave Traboulsee Mike Babineau Melanie Jones **Budd Lynch** Marie Fillion Nadia Khoury Stephanie O'Regan Greg Fekner Heather Libbey Luke Randall Ruth Chippin Chelsey Daley Shawn Bilerman Rvan Ouinn Bruce McCormack Krista Rae Vicki Stickles

Will Pacey

CALL TO ORDER

Meeting was called to order at 12:00pm by General Manager, Bruce McCormack

Bruce welcomed everyone in attendance for the Annual General Meeting of Downtown Fredericton Inc. Bruce introduced President, Matt Savage.

WELCOME – DFI PRESIDENT

President, Matt Savage, also welcomed everyone in attendance. Thank you to members of downtown fredericton, Mayor Mike O'Brien, and councillor Stephen Chase. DFI is currently working towards a boundary expansion. We have great businesses in our downtown and great people. Thank you to all the board of directors of DFI for your volunteer time on the board. Thank you, Vicki, who looks after all the administration, Krista who does the marketing for the organization, and Bruce the General Manager, they make DFI look great.



WELCOME FROM CITY OF FREDERICTON

Welcome from the City of Fredericton on behalf of Mayor Mike O'Brien. There was a meeting with downtown developers, magic with downtown Fredericton. So much on the go within the City, a lot of it is downtown. Active transportation, how do we have more people downtown to support the businesses. We need more people to be on the street. DFI is doing a great job promoting our downtown. Councillor Chase – my experience was efficient, enjoy experience asked to be extended on board. Thank you for continuing to represent the city on the DFI board.

Bruce McCormack – the board of directors for DFI are Matt Savage, Mike Davis, Shane Sutherland, Heather Libbey, Mike Babineau, Barry Morrison, Ruth Chippin, Vanessa Gray, Gabriel El Zayat, Jim Alain, and councillor Stephen Chase.

Approval of minutes from April 27th, 2018, approved by Jim Alain, seconded by Dave Traboulsee, all in favor, motion carried.

NICHOLSON & BEAUMONT – AUDITED FINANCIAL STATEMENTS

Melanie Jones of Nicholson & Beaumont presented the audited financial statements for 2017. There were no major issues with the audit, everything is in good order on the financial statements. No concerns from auditors. On page 22, the balance sheet, the accounts receivable shows the levy amounts that were outstanding at year end. Property and equipment assets and downtown dollars liabilities are those dollars not yet redeemed. The statement of operations shows the revenue and expenses for the organization, everything is in order with previous years.

Bruce McCormack thanked Melanie and Nicolson & Beaumont Chartered Accountants for their work with the audit.

Motion to accept the audited financial statements as presented, moved by Mike Davis, seconded by Shawn Bilerman, motion carried.

NOMINATION REPORT

Re-offering directors

Matt Savage Savages Bike Shop 2018-2020 term Shane Sutherland S/S Tire 2018-2020 term Ruth Chippin Chippins Real Estate 2018-2020 term Heather Libbey Opportunities NB 2018-2020 term

Bruce asked for nominations from the floor three times. Nomination of Chelsey Daley by Dave Traboulsee Nomination of Adam Clawson by Andrew Bedford

Motion to cease nominations at this time, moved by Luke Randall.

There is one position available on the board at this time, everyone present will vote for either Chelsey or Adam to be new director.

Vote completed, board members are:

Matt Savage, President
Mike Davis, Vice President
Shane Sutherland, Secretary/Treasurer
Ruth Chippin, director
Heather Libbey, director
Barry Morrison, director
Mike Babineau, director
Vanessa Gray, director
Chelsey Daley, director

Gabriel El Zayat, director

Jim Allain, director

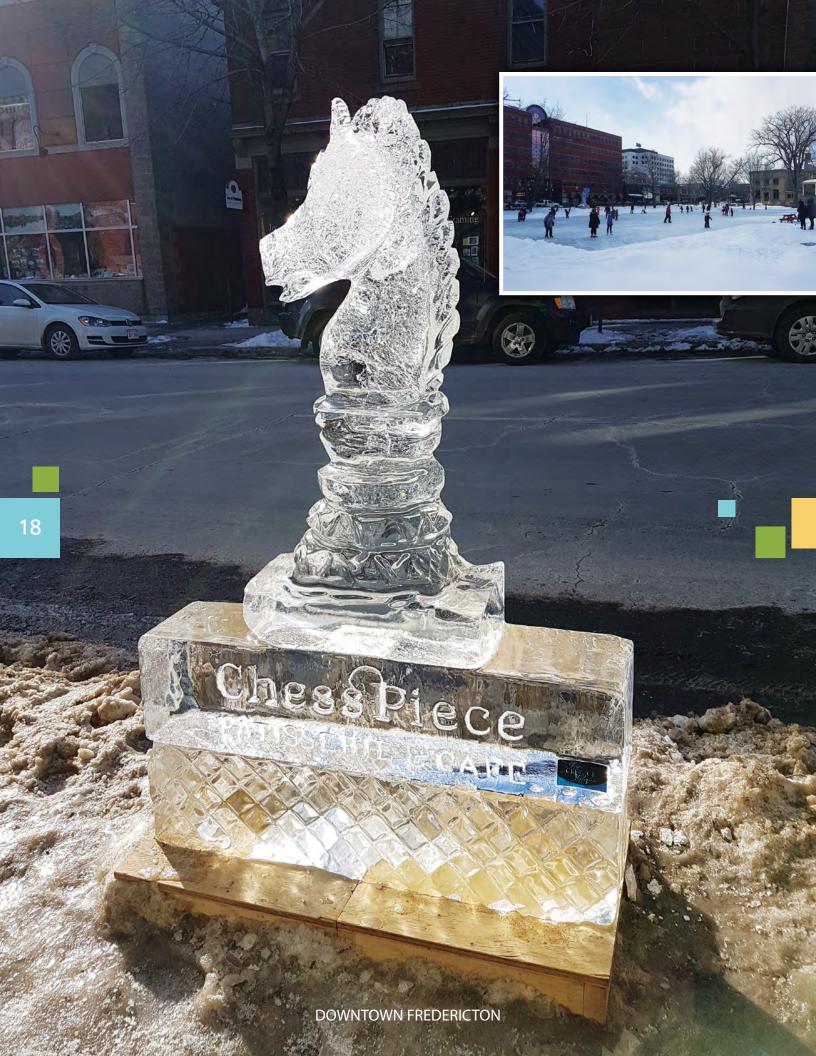
Councillor Stephen Chase, appointed

GENERAL MANAGER-BRUCE MCCORMACK

Bike lanes in downtown, should we have them? Matt Savage, if we put bike lanes downtown, we need to do it right. Speed limit would need to be reduced on some streets. We currently have a good trails system.

Luke Randall, business owner suggests that merchants on Queen Street want cycling along the street. Biking can happen for six months out of the year, people slow down on bikes, go into shops.

Loading zones can not be taken away from Queen Street for businesses, it is very difficult to receive deliveries, winter months it is very difficult for larger trucks to park and unload, not enough spaces for loading and unloading.



ANNUAL GENERAL MEETING

Mike Babineau, spoke that bike lanes downtown will affect his business, Cora's. He is not against bike lanes, but is opposed to the presented pilot reducing Queen Street to one lane for bike lanes. This will not work for businesses along Queen Street. Parking will be moved off Queen and some put onto Brunswick Street. The parking study needs to be reviewed, there is east to west access for bikers currently on the trail system.

Heather Libbey, director for DFI spoke that there is a lot of discussion but what are the most pressing issues for downtown? There should be list for the 'nice to have' and the 'need to have', the need to haves should be the priority.

The bike lanes concern is the reduction of one lane and parking spaces along Queen Street, this needs to be looked at and concerns should be directed from business owners to the City of Fredericton. Biking on the sidewalks is a safety concern, but taking away loading zones is also a concern.

Jane MacTavish – this past year with the new construction of condo unit at lower end of Queen Street, there is no on street parking. Tenants are now parking at the meters.

David Kersey – Active Transportation Committee – committee is looking at cities of different sizes to see what the trends are for bike lanes. We really need protective bike lanes, he feels that bike lanes are much safer to use.

Cathy Pugh – would it be possible to make sidewalks wider and make part of it for cycling? And are the new developments being held responsible for their parking?

Mayor Mike O'Brien – thank you for all the input on bike lanes and downtown parking. Great feedback to take back to council. The bike lanes pilot project is currently off the table at this time.

PRESENTATION OF AWARDS

Façade Improvement Award:

This year's winner of the façade improvement award is JB Real Estate – Shawn Bilerman

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 is MacTavish Sports, Jane MacTavish, Jenny MacTavish received award. Congratulations!

OTHER BUSINESS -

Peter Pacey, Calithumpians – thank you DFI for your support. We are entering our 39th season, have 20 students hired for the summer. The shows will not be in the park this year due to construction.

In 2019 we will celebrate our 40th season of the Calithumpians.

Ruth Chippin would like to give up her place on the board of DFI to allow for the nomination of Adam Clawson to take her place.

Motion to accept new board member Adam Clawson to replace Ruth Chippin, moved by Councillor Stephen Chase, seconded by Jim Allain, motion carried.

Construction season is upon us, with the first being Regent Street closure to happen this weekend and will be closed for 11 weeks. There will be a public meeting tomorrow evening from 6-7pm at the library on the closing of St. Anne Boulevard.

ADJOURN

General Manager thanked all those in attendance for coming to our Annual General Meeting this year. Meeting adjourned motioned by Shawn Bilerman and seconded by Councillor Stephen Chase.





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INDEPENDENT AUDITOR'S REPORT

To the Directors 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, 2018, 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 judgement, 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.

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, 2018 there was a liability for Downtown Dollars totalling \$47,230, 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, 2018 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, NB March 18, 2019

Chartered Professional Accountants

Statement of Financial Position

As at December 31, 2018

Assets	2018	2017
Current		
Cash and cash equivalents	6 464 007	£ 450.00C
Cash - restricted	\$ 164,297	\$ 159,086
Accounts receivable	79,900	73,000
1 70-0-0-10-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-	22,822	21,675
Prepaid expenses	<u>5,378</u>	<u> </u>
	272,397	259,037
Property and equipment - Note 5	54,806	52,875
	\$ <u>327.203</u>	\$ <u>311,912</u>
Liabilities Current		
Accounts payable and accrued liabilities	\$ 73,700	\$ 67,821
Government remittances	<u>5,425</u>	5,004
		- 0,004
	<u>79,125</u>	<u>72,825</u>
Fund balances		
Severance reserve fund - Note 6	79,900	73,000
Unrestricted net assets	<u> 168,178</u>	166,087
	248,078	239,087
		
	\$_327,203	\$ <u>311,912</u>

Commitments - Note 7

Director

Approved to

Director.

Statement of Changes in Net Assets For the Year Ended December 31, 2018

	Severance reserve fund	Unrestricted 2018	<u>2017</u>
Balance, beginning of year	\$ 73,000	\$ 166,087 \$ 239,087	\$ 194,819
Excess of revenue over expenditures	6,900	2,091 8,991	44,268
Balance, end of year	\$ <u>79,900</u>	\$ <u>168,178</u> \$ <u>248,078</u>	\$ <u>239,087</u>

Statement of Operations
For the Year Ended December 31, 2018

		<u>2018</u>		<u>2017</u>
Revenue				
Business improvement area tax levy	\$	584,553	\$	586,593
Parking promotion		-		3,300
Interest income		5,834		1,977
Miscellaneous income	_	5,400	_	<u>-</u>
		EGE 707		ED4 070
Expenditures	-	<u>595,787</u>	-	<u>591,870</u>
Amortization		11,157		10,507
Bank charges		2,259		2,122
Business development		24,618		25,008
Festival and special event grants - Schedule 2		37,245		31,925
Grants - Schedule 1		48,679		43,014
Maintenance		13,725		19,114
Marketing and communications - Note 3		83,999		74,706
Occupancy and telephone		29,363		28,920
Office and postage		13,696		15,810
Parking token redemptions		4,088		5,930
Professional fees		5,138		5,553
Retirement allowance		6,900		10,000
Salaries and benefits - Note 4		286,608		260,740
Sponsorship		22,500		16,848
Strategic planning initiatives		1,162		2,846
Streetscape	_	2,559	_	4,559
	_	593,696	_	557,602
Excess of revenues over expenditures	\$_	2,091	\$_	34,268

Statement of Cash Flows

For the Year Ended December 31, 2018

Increase (decrease) in cash and cash equivalents	<u>2018</u>	<u>2017</u>
Operating Excess of revenues over expenditures Amortization	\$ 2,091	\$ 34,268
Amortization	<u>11,157</u> 13,248	<u>10,507</u> 44,775
Changes in working capital	•	•
Accounts receivable Retirement allowance	(1,147) 6,900	7,707 10,000
Prepaid expense	(102)	(968)
Accounts payable and accrued liabilities Government remittance	5,879 421	1,258 683
Covernment remittance	25,199	63,455
Investing Activities Purchase of property and equipment	(13,088)	(14,667)
Net increase in cash and cash equivalents	12,111	48,788
Cash and cash equivalents - Beginning of year	_232,086	183,298
Cash and cash equivalents - End of year	\$ <u>244,197</u>	\$ <u>232,086</u>
Cash consists of		
Cash Cash - restricted	\$ 164,297 	\$ 159,086 73,000
	\$ <u>244,197</u>	\$ <u>232,086</u>

Notes to the Financial Statements

As at December 31, 2018

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)(I) of The Income Tax Act of Canada,

2. Accounting policies

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

Revenue recognition

The Organization derives the majority of its revenue through the Business improvement area levy which is 20 cents per \$100 of property assessment from all non-residential property owners 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:

Office furniture and equipment 20% Declining balance Tree lights 20% Declining balance Computer equipment 20% Declining balance Signs 10% Declining balance Banners 20% Declining balance Websites 25% Declining balance 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. An allowance is recorded for unredeemed Downtown Dollars based on management's best estimate.

Notes to the Financial Statements

As at December 31, 2018

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.

3. Marketing and communications

	<u> 2018</u>	<u>2017</u>
General advertising and marketing Seasonal promotions Printing costs Outside services	\$ 41,387 30,230 7,890 <u>4,492</u>	\$ 28,929 28,497 6,598 10,682
	\$ <u>83,999</u>	\$ <u>74,706</u>
4. Salaries and benefits		
	<u>2018</u>	<u>2017</u>
Salaries - full-time Salaries - summer/part-time Benefits	\$ 230,666 28,705 <u>27,237</u>	\$ 208,475 29,437 22,828
	\$ <u>286,608</u>	\$ <u>260,740</u>

Notes to the Financial Statements

As at December 31, 2018

5. Property and equipment

		<u>Cost</u>		Accumulated <u>Amortization</u>		Net Book Value 2018 20		lue 2017
Office furniture and equipment	\$	91,248	\$	76,963	\$	14,285	\$	9,011
Tree lights		47,700		42,966		4,734		5,918
Computer equipment		43,653		40,590		3,063		3,829
Signs		20,452		16,666		3,786		4,206
Banners		77,104		51,748		25,356		25,817
Website		3,861		3,345		516		687
Poster boards		11,427	_	8,361	_	3,066	_	3,407
	\$_	<u> 295,445</u>	\$_	240,639	\$_	<u>54,806</u>	\$_	52,875

6. 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. This applies to all eligible full-time staff members.

7. Commitments

The Organization leases operating premises under terms of a lease which is due for renewal in October 2023. The organization's annual gross rent obligation, under the current agreement, exclusive of occupancy costs, is \$19,200 plus HST.

8. 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 at December 31, 2018.

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.

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 change in exposures to the various risks from the prior year.

Notes to the Financial Statements

As at December 31, 2018

Schedule 1

Downtown Fredericton Inc. promotes the Facade, Security and Parking Lot Improvement Program to all Downtown Fredericton Inc. members. This funding program is administered and approved by the staff of the Organization and is intended to provide financial incentive and aid to property owners and tenants to improve the exterior appearance, security and private parking lot on the properties. The end result is a higher assessment to the property which directly benefits the Organization's budget. All outstanding receivables, including the Business Improvement Area Levy, must be up to date to be eligible for a grant under these programs.

		2018	2017
Facade			
11 Mile Food Co.	87 Regent Street	S -	\$ 1,043
540 Restaurant & Bar	540 Queen Street	1,600	-
699156 NB Ltd. (The Medicine Shoppe)	348 King Street	6,000	_
Andal Holdings	356 Queen Street	2,500	
Blue Collar Developments (The Provincial)	550 Queen Street	3,000	•
Daze Holdings Inc.	95 York Street	•	3,000
Dolans Pub	349 King Street	1,125	-,220
Ginger Design	461 King Street	490	-
Harvest Jazz and Blues	81 Regent Street		1,328
J B Real Estate	212 Queen Street	-	6,000
John LeRoux	441 King Street	1,500	-
Megan Tardif-Woolgar	385 Mazucca Lane	.,	370
Moco	100 Regent Street	-	1,130
Morinco Holdings	494 Queen Street	1,140	-
Murphys Investment (Gahan House)	494 Queen Street	3,000	_
Neill Street Investments	228 Queen Street	-	2,315
Ninety-Nine Corporation (Savage's)	441 King Street	4,050	2,010
Platinum Vibe Salon	349 King Street	710	
Reimagine Designs	326 Queen Street	856	
Robert Simmonds	400 King Street		5,500
Rustico Restaurant	304 King Street	6.000	•
Scandimodern	61 Carleton Street	3,000	-
Snooty Fox	66 Regent Street	3,000	
Taymax Corporation	117 York Street	-	3,000
The Details Design	65 York Street	-	288
Thompson Holdings	490 Regent Street	_	12,200
Unplugged Board Games	418 Queen Street	2,491	-
		\$ <u>40,464</u>	\$ <u>36,174</u>
Parking lot improvement			
699156 NB Ltd. (The Medicine Shoppe)	348 King Street	\$ 1,310	\$ -
Centre Court Properties	480 Queen Street	2,500	Ψ - -
Rustico Restaurant	304 King Street	880	-
S/S Tire & Auto Service	315 Brunswick Street	380	358
Simms Home Hardware	190 King Street	{5,000)	5.000
The Radical Edge	127 Westmorland Street	(5,000) 440	5,000
		\$ <u>510</u>	\$ <u>5,358</u>

Notes to the Financial Statements

As at December 31, 2018

Security		2	<u>018</u>		<u>2017</u>
691435 NB Ltd. (Range of Motion)	259 Brunswick Street	\$	774	\$	-
Center Court Properties Ltd.	Wilmot Alley		-		663
Daze Holdings Inc.	95 York Street		-		623
699156 NB Ltd. (The Medicine Shoppe)	348 King Street		5,000		•
Rustico Restaurant	304 King Street		1,400		-
Daze Holdings (Johnny Java's)	95 York Street		531		400
Morinco Holdings Ltd.	494 Queen Street	-	-	_	196
			7,705	_	1,482
		\$ 4	<u>48,</u> 679	\$	43,014
		' =		*=	40,014
Schedule 2					
Festivals and special events					
Atlantic Regional Firefighters		\$	(300)	5	300
Bard in the Barracks Inc.		•	1,200	•	1,000
Civic Pride Committee			2,000		500
Dine around Freddy			•		750
Everest Canadian Seniors Curling			-		500
Flourish Festival			2,000		1,500
Fredericton Arts Alliance			1,000		1,000
Fredericton Community Foundation (Kindne	ess Day)		1,000		•
Fredericton Downtown Community Health Fredericton Marathon			-		250
Fredericton Outdoor Theatre		_	-		1,250
Fredericton Region Museum		1	10,000		9,000
Fredericton Trails Coalition			1,470 175		1,000 175
Frostival			3,000		1.200
Heritage Trust			-		50
Maritime Oyster Festival			1,250		. 30
Multicultural Association of Fredericton Inc.			3,000		3,000
NB Highland Games & Scottish Festival Inc.	,		2,500		2,500
Nashwaaksis Kinsman Club (Santa Claus P	'arade)		1,000		-
New Brunswick Country Showcase	•		1,200		1,200
Notable Acts			2,000		2,000
Science East			-		250
Shivering Songs			3,000		3,000
Theatre New Brunswick			1,500		1,500
World Feast			250	_	



2018 ANNUAL REPORT



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