

City of Mississauga
Corporate Report



Date: November 16, 2021

To: Mayor and Members of Council

From: Shari Lichterman, CPA, CMA, Commissioner of
 Corporate Services and Chief Financial Officer

Originator's files:

Meeting date:
 December 8, 2021

Subject

Tourism Mississauga – Annual Report and 2022 Business Plan and Budget

Recommendation

1. That Council approve the 2022 Business Plan and Budget for Tourism Mississauga with a gross cost of \$4,482,000, \$354,000 transfer to reserve and net cost of zero (funded from MAT reserve).
2. That the staff complement supporting Tourism Mississauga be increased by 3 positions.
3. That the 2020 audited financial statements for Tourism Mississauga be received for information.
4. That Council approve the election of the directors named in the Memo to Council dated November 15, 2021 to the Board of Directors for Tourism Mississauga for a new three (3) year term, commencing on the date when the resolutions referred to in Recommendation #6 below are signed.
5. That Council reconfirm that the auditor for the City (or designate) shall be the auditor for Tourism Mississauga, and shall have all of the rights and powers of an auditor provided under the Municipal Act, 2001.
6. That Council as the sole voting member of Tourism Mississauga, delegate authority to the City Clerk to sign all necessary Tourism Mississauga resolutions to represent the annual general meeting for Tourism Mississauga and to give effect to Council's decision as the sole voting member to approve the 2022 Budget and Business plan, reconfirm the auditor and approve the election of Directors to the Board for a three year term.
7. That all necessary by-laws be enacted.

Executive Summary

- Tourism Mississauga is a Municipal Services Corporation that was formed to promote tourism in the City of Mississauga. The Corporation is controlled 100 per cent by the City, funded by Municipal Accommodation Tax (MAT), with Council acting as the sole voting member.
- According to By-law No.1 for Tourism Mississauga, Council is required to approve the business plan and budget on an annual basis. On November 25, 2020, Council approved the 2021 Business Plan and Budget (Resolution 0355-2020) with the business plan having a focus on domestic audiences and hyper-local travel to help drive recovery.
- The 2022 Business Plan and Budget (Appendix 1) has a focus on the rebuilding of business and sports travel and domestic leisure travel audiences to help drive recovery. The proposed budget recommends a substantial increase in marketing investment with three additional Full Time Equivalents (FTEs) totalling approximately \$300K.
- Tourism Mississauga has no impact on City budget as it is funded entirely from the MAT reserve. The 2020 financial statements audit report (Appendix 2) conducted by KPMG LLP concludes that the corporation is not exposed to significant liquidity, interest rate, credit, market, or cash flow risk. In addition, there has been no change to the risk exposure from 2019 with the exception of the general economic risk due to the Covid-19 pandemic.
- The Board of Directors is comprised of three City Councillors and 14 external stakeholders. By-law No. 1 limits each Director (not including a City Councillor) to serve up to three consecutive three year terms. Currently, five members have expressed interest in sitting on the Board for a new term. With Council's approval of their election, each member will serve for another three year term.

Background

On July 3, 2019, Council authorized staff to proceed with establishing a Municipal Services Corporation for the purpose of promoting Mississauga as a tourism destination, and to comply with the provincial regulations regarding the Municipal Accommodation Tax use of funds (MAT).

A corporation named Tourism Mississauga was established as the destination marketing organization for Mississauga. As the sole voting member, Council acts as the primary 'shareholder' or owner approving decisions and recommendations of the Board of Directors, and according to By-law No.1 for Tourism Mississauga, is required to approve the business plan and budget on an annual basis, be presented with an annual auditor report and approve the election of Directors on an annual basis.

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On November 25, 2020, Council approved the 2021 Business Plan and Budget (Resolution 0355-2020) with the business plan having a focus on domestic audiences and hyper-local travel to help drive recovery. The service model was separated into three strategic focus areas namely, Destination Development, Destination Marketing and Destination Management. Despite restrictions and the impact of the Covid-19 pandemic, there has been great success with key initiatives advanced in each service model category. The City secured numerous sport tourism bids including the Canadian Indoor Rowing Championships, Ontario Parasport Games and Ontario Summer Games. In addition, Tourism Mississauga launched various incentive programs and marketing campaigns, and enhanced several destination marketing tools including the development of new digital assets and customer management tools for sales.

Comments

2022 Business Plan and Budget

The 2022 Business Plan and Budget (Appendix 1) has a focus on the rebuilding of business and sports travel and domestic leisure travel audiences to help drive recovery. Highlights and initiatives of the business plan include:

- Sales and marketing tactics that will attract and support existing and emerging sport and business related events and festivals in the City of Mississauga that result in large economic spin-offs.
- Marketing and communication initiatives that promote Mississauga as a stand-alone destination.
- Opportunities to develop strategic partnerships and leverage additional resources to advance tourism initiatives.
- 2021 financial overview & 2022 proposed budget.

The proposed budget recommends a substantial increase in marketing investment with three additional Full Time Equivalents (FTEs) totalling approximately \$300K. The new FTEs, as with all Tourism Mississauga staff, would be City of Mississauga employees and include a senior marketing position, salesperson and a sales support administrator. Through leveraging the MAT funding, these positions will help to increase tourism activity in the City and successfully execute the approved tourism plan and tactics.

2020 Financial Statements

According to By-law No. 1, the financial statements and the report from the auditor are to be presented to Council on an annual basis. The 2020 financial statements audit report (Appendix 2) conducted by KPMG LLP stated that the corporation is not exposed to significant liquidity, interest rate, credit, market, or cash flow risk. In addition, there has been no change to the risk exposure from 2019 with the exception of the general economic risk due to the Covid-19 pandemic. It concluded that the situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time.

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Approval of Auditor

According to section 68 of the Not-for-Profit Corporations Act, the members of a not-for-profit corporation are required to appoint an auditor to hold office until the close of the next annual meeting. In order to meet this legislative requirement, staff is requesting that Council reconfirm that the auditor for the City (or designate) shall be the auditor for Tourism Mississauga.

Annual General Meeting

As a municipal services corporation, Tourism Mississauga is required to have an annual general meeting for Council as the sole voting member. According to By-law No.1, meetings of the membership can be captured by way of a resolution, in lieu of a meeting. Subject to Council's approval of the recommendations in this report, resolutions will be prepared to be signed by the City Clerk which will represent the annual general meeting for 2021 for Tourism Mississauga.

Board of Directors

The role of the Board of Directors is to provide financial oversight (develop a budget and allocation of resources); program planning (develop a business plan and/or strategic plans); develop/adopt policies; and performance measurement and monitoring.

The Board of Directors is composed of three City Councillors and 14 external stakeholders. These stakeholders represent relevant tourism sectors in the City, namely Accommodations, Retail/Restaurant/Culinary, Attractions/Festivals/Events and Other Services/Organizations/Venues.

The Board of Directors was established with staggered terms to ensure a minimum two thirds of experienced board members. Each member is entitled to serve three consecutive terms of three years each. Five Directors of the Board have offered to serve another three year term on the Board, as outlined in the Closed Session Memorandum to Council from the CEO of Tourism Mississauga dated November 15, 2021 and submitted on the December 8, 2021 Council agenda.

With Council's approval of their election, each member will serve another three year term. By approving the election of these Directors, the Board will have 15 members with 2 vacancies. The vacancies will be filled through the standard nomination process as defined in By-law No. 1 of Tourism Mississauga.

Financial Impact

Tourism Mississauga has no impact on the City tax levy as it is funded entirely from the MAT reserve; specifically the 50% of the net annual MAT collected that is legislated to be directed to a not for profit tourism entity. The proposed budget which has been approved by the Board for \$4,482,000 gross cost, \$354,000 transfer to MAT reserve and zero net cost (funded from MAT) is shown on slide 20 of appendix 1. The budget proposes that the complement supporting Tourism Mississauga be increased by 3 as outlined on slide 32 of Appendix 1.

Conclusion

Tourism Mississauga has been established as a destination marketing organization for Mississauga, with the mandate to continue the successful implementation of the Council-approved Tourism Master Plan. With Council's approval of the 2022 Business Plan and Budget and approval of the election of the Directors as set out in this report, Tourism Mississauga can continue to drive recovery and successfully support the anticipated increase of tourism activities in the City.

Attachments

Appendix 1: Tourism Mississauga 2022 Business Plan and Budget

Appendix 2: Tourism Mississauga 2020 Financial Statements



Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer

Prepared by: Julia Giovinazzo, Business Advisor, Business Support Services.