

City of Mississauga
Corporate Report



<p>Date: January 3, 2023</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Jodi Robillos, Commissioner of Community Services</p>	<p>Meeting date: January 25, 2023</p>

Subject

Tourism Mississauga – Annual Report and 2023 Business Plan and Budget

Recommendation

That the corporate report dated January 3, 2023 from the Commissioner of Community Services entitled “Tourism Mississauga – Annual Report and 2023 Business Plan and Budget” be approved in accordance with the following:

- a) That the 2023 Business Plan and Budget for Tourism Mississauga with a gross cost of \$5,936,000, and a net cost of zero - \$4,836,000 funded from Municipal Accommodation Tax and \$1,100,000 transfer from Tourism Mississauga Reserve, be approved.
- b) That the staff complement supporting Tourism Mississauga be increased by two full time positions.
- c) That the auditor for the City (or designate) be appointed as the auditor for Tourism Mississauga to hold office until the completion of the next annual meeting, or until a successor is appointed, and such auditor shall have all the rights and powers of an auditor provided under the *Municipal Act, 2001*.
- d) That the City Clerk be authorized as the delegated signing authority 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 2023 Budget and Business Plan, appoint the auditor and approve the election of Directors to the Board for a three-year term.
- e) That all necessary by-laws be enacted.

Executive Summary

- Tourism Mississauga is a Municipal Services Corporation that was formed to promote tourism in Mississauga. The Corporation is controlled 100 per cent by the City of Mississauga (“City”), funded by Municipal Accommodation Tax (“MAT”), with Council acting as the sole voting member.
- According to Tourism Mississauga By-law No.1, Council is required to approve the business plan and budget on an annual basis. On December 8, 2021, Council approved the 2022 Business Plan and Budget (Resolution 0220-2021) with the business plan having a continued focus on Tourism Recovery Services and the implementation of new tools and processes.
- The 2023 Business Plan and Budget (Appendix 1) has a focus to build on brand development and the momentum created by the return of business events, sports and domestic leisure travel audiences to help to continue to drive recovery. The proposed budget recommends a substantial increase in sales, marketing and communications investment, along with two additional full-time equivalent (“FTE”) positions totalling approximately \$173,000.
- Tourism Mississauga has no impact on City budget as it is funded entirely from the MAT reserve. The 2021 financial statements audit report conducted by KPMG LLP is attached as Appendix 2.

Background

On July 3, 2019, Council authorized the establishment of a Municipal Services Corporation for the purpose of promoting Mississauga as a tourism destination, and to comply with the provincial regulations regarding the MAT use of funds.

Tourism Mississauga was established as the official 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. According to Tourism Mississauga By-law No.1, Council is required to approve the business plan and budget, be presented with an annual auditor report and approve the election of Directors on an annual basis.

On December 8, 2021, Council approved the 2022 Business Plan and Budget (Resolution 0220-2021) with the business plan having a continued focus on Tourism Recovery Services and the implementation of new tools and processes. Key 2022 highlights and initiatives included:

- Positioning Mississauga as a leisure destination through incentive programs and marketing campaigns;

- Providing financial and in-kind marketing support for festivals and events;
- Undertaking sales activations to attract future meetings and conferences;
- Hosting successful sport tourism events in Mississauga;
- Enhancing destination marketing tools; and
- Stakeholder engagement and industry collaboration.

Comments

2023 Business Plan and Budget

The focus for the 2023 Business Plan and Budget (Appendix 1) is to build on brand development and the momentum created by the return of business events, sports and domestic leisure travel audiences to help to continue to drive recovery. Tourism Mississauga's service model will continue to be delivered across three distinct strategic areas, to include Destination Development, Destination Marketing and Destination Management. Highlights of the business plan include the following:

- Sales and marketing tactics that will build a story that will support the attraction of 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; and
- 2022 financial overview & 2023 proposed budget.

The proposed budget recommends a substantial increase in sales, marketing and communications investment to position Mississauga as a tourism destination by promoting product offerings and experiences. In addition, the proposed budget requests two additional FTEs, totaling approximately \$173,000. The new FTEs, as with all Tourism Mississauga staff, would be City employees and include a Sport Tourism Regional and Provincial Coordinator and a Business Events Corporate Coordinator. 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.

2021 Financial Statements

According to Tourism Mississauga By-law No. 1, the financial statements and the report from the auditor are to be presented to Council on an annual basis. The 2021 financial statements audit report conducted by KPMG LLP is attached as Appendix 2.

Approval of Auditor

According to Section 68 of the *Not-for-Profit Corporations Act, 2010* (Ontario), 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 Tourism Mississauga 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 2022 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/Hotels, Retail/Restaurant, Attractions/Festivals/Events, Sport/Events/Organizations and Services/Organizations/Venues.

Of the 14 external Board of Directors positions, there are currently two vacancies, which are being held for representatives from the Mississauga Board of Trade (MBOT) and the Greater Toronto Hotel Association (GHTA). The vacancies will be filled through representatives offered by the MBOT and GHTA, followed by the Tourism Mississauga Board accepting those recommendations and then approved by Council in a closed session memo.

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.

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 \$5,936,000 gross cost, and a net cost of zero – \$4,836,000 funded from MAT and \$1,100,000 funded from Tourism Mississauga Reserve (Account #30162), as shown on slide 6 of Appendix 1. The budget proposes that the complement supporting Tourism Mississauga be increased by two FTEs as outlined on slide 26 of Appendix 1.

Conclusion

Tourism Mississauga will continue to drive tourism in Mississauga, with the mandate to continue the successful implementation of the Council-approved Tourism Master Plan. With Council's approval of the 2023 Business Plan and Budget, Tourism Mississauga can continue to drive recovery and generate economic benefits for the city.

Attachments

Appendix 1: Tourism Mississauga 2023 Business Plan and Budget

Appendix 2: Tourism Mississauga 2021 Financial Statements



Jodi Robillos, Commissioner of Community Services

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