



MEETING: Committee of the Whole

DATE: Monday, August 13, 2018

Reference No. COW - 39/49

OPEN SESSION in S.H. Blake Memorial Auditorium at 6:30 p.m.

Committee of the Whole - Operations Session

Chair: Councillor J. Virdiramo

DISCLOSURES OF INTEREST

CONFIRMATION OF AGENDA

Confirmation of Agenda - August 13, 2018 - Committee of the Whole

With respect to the August 13, 2018 Committee of the Whole meeting, we recommend that the agenda as printed, including any additional information and new business, be confirmed.

PRESENTATIONS

2017 Report to the Community

At the July 30, 2018 Committee of the Whole, 2017 Report to the Community was withdrawn from the agenda to be presented on August 13, 2018.

Memorandum from Ms. K. Lewis, Director - Corporate Strategic Services, dated July 16, 2018, requesting the opportunity to provide a presentation relative to the above noted.

2017 Report to the Community, for information, was distributed separately on Monday, July 23, 2018.

REPORTS OF MUNICIPAL OFFICERS

Contract 6, 2017 - Crescent Avenue Reconstruction and Empress Avenue Storm Relief [Phase 1]

Report No. R 106/2018 (Infrastructure and Operations - Engineering Operations) recommending an increase in the value of Contract 6, 2017 - Crescent Avenue Reconstruction and Empress Avenue Storm Relief.

Pending the passage of the resolution at the Committee of the Whole meeting, the resolution will be presented for ratification at the City Council meeting to be held later in the evening and will require a two-thirds vote.

With respect to Report No. R 106/2018 [Infrastructure and Operations – Engineering Operations], we recommend that an increase in the value of Contract 6, 2017 – Crescent Avenue Reconstruction and Empress Storm Relief [Phase 1] awarded to Makkinga Contracting and Equipment Rentals be authorized in the amount of \$85,930.88 [inclusive of HST] bringing the total contract value to \$2,774,200.88 [inclusive of HST];

AND THAT the Mayor and City Clerk be authorized to sign all documentation related to these matters;

AND THAT any necessary bylaws be presented to City Council for ratification.

Re-Construction of CP4 Natural Turf Soccer Field in Chapples Park - Request for Proposals Award

Report No. R 116/2018 (Infrastructure Operations – Parks Open Spaces Section) relative to the above noted. (Distributed separately)

Pending the passage of the resolution at the Committee of the Whole meeting, the resolution will be presented for ratification at the City Council meeting to be held later in the evening and will require a two-thirds vote.

Pedestrian Crossover Evaluation

Report No. R 11/2018 outlining the impacts of the pedestrian crossover pilot at Algoma Street and Cornwall Avenue and the public education efforts undertaken, for information.

OPEN SESSION in the S.H. Blake Memorial Auditorium

Committee of the Whole - Community Services Session
Chair: Councillor I. Angus

REPORTS OF COMMITTEES

Sister Cities Advisory Committee

Minutes of Meeting No. 3-2018 of the Sister Cities Advisory Committee held on March 14, 2018, for information.

REPORTS OF MUNICIPAL OFFICERS

Transit Fuel Farm Replacement – Tender Award

Report No. R 110/2018 (Community Services – Asset Management), recommending that Project No. 18-124, for the Transit Fuel Farm Replacement be awarded to LTL Environmental Inc., up to the amount of \$1,419,989.44 (inclusive of all taxes and a contingency allowance).

Pending the passage of the resolution at the Committee of the Whole meeting, the resolution will be presented for ratification at the City Council meeting to be held later in the evening and will require a two-thirds vote.

With respect to Corporate Report No. R 110/2018 (Community Services – Asset Management), we recommend that Project No. 18-124, for the Transit Fuel Farm Replacement be awarded to LTL Environmental Inc., up to the amount of \$1,419,989.44 (inclusive of all taxes and a contingency allowance);

AND THAT the Manager – Supply Management be authorized to issue any purchase orders related to this project;

AND THAT the General Manager – Community Services report any circumstances to City Council should significant variations in contract values occur as the work proceeds;

AND THAT the Mayor and Clerk be authorized to sign all documentation related to these matters;

AND THAT any necessary By-laws be presented to City Council for ratification.

Transfer of Tourism Thunder Bay to CEDC

Report No. R 107/2018 (City Manager's Office - Corporate Strategic Services) recommending the transfer of management responsibilities over Tourism Thunder Bay from the City of Thunder Bay to the Thunder Bay Community Economic Development Commission.

Pending the passage of the resolution at the Committee of the Whole meeting, the resolution will be presented for ratification at the City Council meeting to be held later in the evening and will require a two-thirds vote.

With respect to Report No. R 107/2018 (City Manager's Office - Corporate Strategic Services), we recommend that City Council authorize the transfer of management responsibilities over Tourism Thunder Bay and its brand from the City of Thunder Bay to the Thunder Bay Community Economic Development Commission;

AND THAT the transfer be effective as of the close of business on August 31, 2018;

AND THAT the transfer include the 2018 annual operating budget and expenses to date of Tourism Thunder Bay;

AND THAT any necessary by-laws be presented to City Council for ratification.

Municipal Accommodation Tax (MAT) - Implementation

Report No. R 108/2018 (City Manager's Office – Corporate Strategic Services) presenting the Implementation Plan for Municipal Accommodation Tax and recommending that a new reserve fund, "Municipal Accommodation Tax", be created.

Pending the passage of the resolution at the Committee of the Whole meeting, the resolution will be presented for ratification at the City Council meeting to be held later in the evening and will require a two-thirds vote.

With respect to Report No. R 108/2018 (City Manager's Office – Corporate Strategic Services) the Implementation Plan for the Municipal Accommodation Tax as outlined in this Report is received for information;

AND THAT a new reserve fund "Municipal Accommodation Tax" be created to receive 50% of net revenues to provide funding to finance City infrastructure projects that promote tourism and that benefit residents and visitors;

AND THAT any necessary by-laws be presented to City Council for ratification.

Municipal Accommodation Tax (MAT) - Designated Entity

Report No. R 109/2018 (City Manager's Office – Corporate Strategic Services) recommending that the Thunder Bay Community Economic Development Commission be designated the entity to receive the Municipal Accommodation Tax revenue portion for tourism promotion.

Pending the passage of the resolution at the Committee of the Whole meeting, the resolution will be presented for ratification at the City Council meeting to be held later in the evening and will require a two-thirds vote.

With respect to Report No. R 109/2018 (City Manager's Office – Corporate Strategic Services) we recommend approval of the designation of Thunder Bay Community Economic Development Commission (CEDC) as the entity to receive 50% of net revenues from the Municipal Accommodation Tax collected by the City;

AND THAT the City Manager, or designate, will develop agreements including all necessary documents ancillary thereto, with CEDC respecting reasonable financial accountability matters in order to ensure the amount paid to the CEDC is used for the exclusive purpose of promoting tourism, and the agreement may provide for other matters, all in a form satisfactory to Legal Services;

AND THAT any necessary by-laws be presented to City Council for ratification.

Committee of the Whole - Meeting Date 08/13/2018

PETITIONS AND COMMUNICATIONS

Suspension of broadcast of weekly COW/City Council meetings

Memorandum from Mr. J. Hannam, City Clerk dated August 1, 2018 relative to suspension of broadcast of weekly Committee of the Whole/City Council meetings.

NEW BUSINESS

ADJOURNMENT



MEETING DATE 08/13/2018 (mm/dd/yyyy)

SUBJECT Confirmation of Agenda

SUMMARY

Confirmation of Agenda - August 13, 2018 - Committee of the Whole

RECOMMENDATION

With respect to the August 13, 2018 Committee of the Whole meeting, we recommend that the agenda as printed, including any additional information and new business, be confirmed.



MEETING DATE 08/13/2018 (mm/dd/yyyy)

SUBJECT 2017 Report to the Community

SUMMARY

At the July 30, 2018 Committee of the Whole, 2017 Report to the Community was withdrawn from the agenda to be presented on August 13, 2018.

Memorandum from Ms. K. Lewis, Director - Corporate Strategic Services, dated July 16, 2018, requesting the opportunity to provide a presentation relative to the above noted.

2017 Report to the Community, for information, was distributed separately on Monday, July 23, 2018.

ATTACHMENTS

1. K Lewis memo dated July 16 2018

MEMORANDUM

TO: John Hannam, City Clerk

FROM: Karen Lewis, Director – Corporate Strategic Services

DATE: July 16, 2018

RE: 2017 Report to the Community, July 30th, 2018, COW

I am writing to request an opportunity at the July 30th, 2018, Committee of the Whole meeting for City Manager Norm Gale and members of the Executive Management Team to present the 2017 Report to the Community.

The Report will be distributed separately.

The 2017 Report to the Community was completed as part of the Community Communications Plan and will be shared with community leaders, fiscal agents, funders and will be available to the public through the City's website at www.thunderbay.ca/annualreport.

DEPARTMENT/ DIVISION	Infrastructure Engineering Operations - Operations	REPORT NO.	R 106/2018
DATE PREPARED	12/07/2018	FILE NO.	Contract 6, 2017
MEETING DATE	13/08/2018 (mm/dd/yyyy)		
SUBJECT	Contract 6, 2017 - Crescent Avenue Reconstruction and Empress Avenue Storm Relief [Phase 1]		

RECOMMENDATION

With respect to Report No. R 106/2018 [Infrastructure and Operations – Engineering Operations], we recommend that an increase in the value of Contract 6, 2017 – Crescent Avenue Reconstruction and Empress Storm Relief [Phase 1] awarded to Makkinga Contracting and Equipment Rentals be authorized in the amount of \$85,930.88 [inclusive of HST] bringing the total contract value to \$2,774,200.88 [inclusive of HST];

AND THAT the Mayor and City Clerk be authorized to sign all documentation related to these matters;

AND THAT any necessary bylaws be presented to City Council for ratification.

EXECUTIVE SUMMARY

Additional construction work carried out relating to Contract 6, 2017 – Crescent Avenue Reconstruction and Empress Avenue Storm Relief [Phase 1] has resulted in the original approved contract amount being exceeded.

Approval is requested from City Council to extend the contract price in order that all final payments can be made to the contractor involved. The amount required is \$85,930.88 [inclusive of HST] and represents a 3.2% increase in contract value.

DISCUSSION

The construction work in 2017 included watermain replacement storm sewer work, street lighting, sidewalk replacement and road reconstruction on Crescent Avenue. The project also included construction of a relief storm sewer through the senior baseball diamond at George Burke Park and a new storm outfall to the McIntyre River.

In 2018, the project continued within George Burke Park to install storm water quality treatment features, extension of the storm sewer through the Park entrance and parking lot and the creation of a new overflow parking area within the Park. The entrance road and portions of the existing

parking lot were repaved and other repairs made to street lighting. There are future storm sewer extensions planned to develop the sewer further to drainage areas on Empress Avenue.

The final accounting of costs, including unit cost variations and extra work orders for this contract is now known. The final cost for this contract will exceed the approved contract amount of \$2,688,270.00 [inclusive of HST] Report No 14/2018. In order that final payments to the contractor can be made, administration is reporting the circumstances to City Council that have resulted in a variation to the approved contract amount.

The contract included a contingency allowance of approximately \$147,000.00 [inclusive of HST] that has been fully consumed as a result of variations in tender quantities and extra work items that occurred as the work proceeded.

The additional cost on the contract primarily relates to the following two [2] items:

1. The estimated rock excavation quantity for storm sewer construction within George Burke Park was significantly under estimated resulting in additional costs of approximately \$183,700 to complete the storm sewer work within this segment. Preliminary test borings were done in the design phase however some interpretation of the results as boulder fill were incorrect resulting in quantities over the full limits were not accurately estimated. The tendered unit price was applied and credits for above quantity overheads were made to the limit the contract allowed but the overall result was still more than could be accommodated within the contract contingency.
2. Variations within unit cost items on Crescent Avenue including sidewalk repair, storm manhole repair, watermain valve replacement and other construction activities associated with the contract work resulted in an over expenditure of approximately \$49,800.00 more than the original tender. This remains within normal contract tolerances and the City has received value for this amount expended.

FINANCIAL IMPLICATION

The following breakdown of added project costs is provided:

Original Tender Awarded	\$2,196,306.42
Contract Extension Approved in 2018	\$491,963.58
Approved Contract Price	\$2,688,270.00
Less Contingency Allowance	(\$147,511.33)
Subtotal	\$2,540,758.67
Additional	
1. Rock Excavation (George Burke Park) Storm Sewer	\$183,621.53
2. Crescent Avenue - Unit Price Variation	\$49,820.68
Final Contract Price	\$2,774,200.88

This represents a total of \$85,930.88 above the previously approved contract amount for which City Council approval is required.

	APPROVED CONTRACT PRICE TO DATE	FINAL CONTRACT COSTS	VARIANCE
Contract Tender Price	\$2,688,270.00	\$2,774,200.88	\$85,930.88
HST Rebate	(\$267,399.60)	(\$275,947.06)	(8,547.46)
Total	\$2,420,870.40	\$2,498,253.82	\$77,383.42

This relates to an after HST rebate amount of \$77,383.42 for which City budget financing is required. There are funds approved within the 2018 budget to cover the final cost of the completed work.

CONCLUSION

It is concluded that the value of Contract 6, 2017 – Crescent Avenue Reconstruction and Empress Avenue Storm Relief [Phase 1] should be increased by \$85,930.88 [inclusive of HST] to cover the final costs of the completed work.

BACKGROUND

On May 8, 2017, Report No. 86/2017 [Infrastructure and Operations – Engineering] City Council awarded Contract 6, 2017 – Crescent Avenue reconstruction and Empress Avenue Storm Relief [Phase 1] to Makkinga Contracting and Equipment Rentals Ltd at a total tendered cost of \$2,196,306.42 [inclusive of HST].

On March 5, 2018, Report No. 14/2018. [Infrastructure and Operations – Engineering] City Council approved an extension to Contract 6, 2017 in the amount of \$491,962.58 [inclusive of HST] to complete the extension of storm sewer through the George Burke Park parking area and road entrance prior to baseball season. This reinstated the original tendered work back into the contract that was originally not awarded due to budget constraints in 2017.

REFERENCE MATERIAL ATTACHED

None

PREPARED BY: *Rick Harms P.Eng. – Project Engineer*

THIS REPORT SIGNED AND VERIFIED BY: (NAME OF GENERAL MANAGER)	DATE:
Michelle Warywoda – Acting GM – Infrastructure Operations	July 31, 2018



MEETING DATE 08/13/2018 (mm/dd/yyyy)

SUBJECT Re-Construction of CP4 Natural Turf Soccer Field in Chapples Park -
Request for Proposals Award

SUMMARY

Report No. R 116/2018 (Infrastructure Operations – Parks Open Spaces Section) relative to the above noted. (Distributed separately)

Pending the passage of the resolution at the Committee of the Whole meeting, the resolution will be presented for ratification at the City Council meeting to be held later in the evening and will require a two-thirds vote.

DEPARTMENT/ DIVISION	Infrastructure Engineering	Operations - Operations	REPORT NO.	R 11/2018
DATE PREPARED	01/05/2018		FILE NO.	0031-083
MEETING DATE	08/13/2018 (mm/dd/yyyy)			
SUBJECT	Pedestrian Crossover Pilot Evaluation			

RECOMMENDATION

For information only

LINK TO STRATEGIC PLAN

This report directly supports Goal 10 of the City of Thunder Bay's Corporate 2015-2018 Strategic Plan to become "Better connected by integrated mobility choices," and supports Strategy 10.3 to "Expand on the quality of the pedestrian environment in order to improve the city's walkability and connectivity".

EXECUTIVE SUMMARY

As of January 1, 2016, changes to the province of Ontario's Highway Traffic Act allow the City to enforce pedestrian crossovers. On November 3, 2016, the City activated its first pedestrian crossover on Algoma Street at Cornwall Street.

An intensive public education campaign preceded the activation and followed it. As well, Administration began tracking important indicators as to the crossover's performance.

This report outlines the impacts of the installation and the public education efforts undertaken.

DISCUSSION

Amendments made to the Highway Traffic Act, as of January 1, 2016, require drivers (including cyclists) to stop and yield the whole roadway at pedestrian crossovers (PXOs).

Algoma Street and Cornwall Avenue Pilot Site

The intersection of Algoma Street and Cornwall Avenue was selected as the pilot based on both technical warrants as well as other key considerations, including:

- Relatively high pedestrian and vehicular volumes, to meet both of the warrants from draft Ontario Traffic Manual Book 15 for a Type 3 crossover with flashing beacons and overhead signs;
- Well-lit location to meet crossover requirements;
- High-visibility location with frequent crossings to create awareness and contribute to the education campaign;
- Minimal right of way improvements required to establish crossover;
- An additional pedestrian crossing point in the Algoma and Bay business area will improve pedestrian accessibility in the area and reduce the amount of uncontrolled pedestrian crossings;
- A transit stop is located nearby;
- Relatively high number of pedestrian collisions compared to other proposed locations; and
- Strong support of the surrounding businesses and the Accessibility Advisory Committee.

Quantitative Results from PXO Pilot

City Administration has tracked certain information to help assess the utilization and function of the Algoma and Cornwall pedestrian crossover and its overall impact on vehicular flow and pedestrian behaviour.

The pedestrian crossover has been used on a regular basis. The unit's controller tracks average daily activations. The number of average daily activations of the crossover by direction of travel are: 134 daily crossing on the east side and 138 daily crossings on the west side.

Pedestrian collision data provides a key insight into the safety of the crossover and automobile driver behaviour. In the ten years prior to the crossover's implementation in 2016, there were four pedestrian collisions at the intersection of Algoma Street and Cornwall Avenue. Since implementation, no pedestrian-automobile collisions have been reported. Similarly, automobile collision rates have remained within historic averages since the crossover implementation.

A traffic speed survey at Algoma Street and Cornwall Avenue was completed after the crossover was implemented. The 85th percentile speed of 45km/h was recorded, which is below the posted speed limit. The average daily traffic volumes have remained within historical recorded volumes with the introduction of the PXO.

Results from Citizen PXO Surveys

City Administration undertook pre- and post-pedestrian crossover surveys to help determine if there were any changes to perceptions of safety, behaviour, and usage. Seventy-nine people filled out the pre survey and 121 people filled out the post survey. Respondent age was evenly distributed in the pre-survey and 25-39 year olds were over-represented in the post-survey. In both surveys 13% of respondents reported having a visible or non-visible disability; 79% of respondents identified as travelling by themselves, with 21% travelling with 2 or more adults; and, 99% of respondents noted that they were familiar with the area.

Results were analysed as a whole and also based on the following demographics: able-bodied people who did not identify as having children or being senior, senior citizens, people with a disability, and people with children. The survey found that the majority of people in each group somewhat/strongly agreed that the PXO made it easier to cross Algoma Street; that the PXO improved safety; and, that the PXO improved accessibility in the area. Lower percentages of agreement were found respectively in senior citizens, those with disabilities and those with children.

Results from the survey indicate that most respondents feel that automobile volumes and speeds at the PXO are bad/very bad.

In terms of using the Algoma Street PXO, most citizens were satisfied with the delay time to cross the street and satisfaction with the time provided to cross the street. People with children expressed the lowest satisfaction with delay time and time available to cross at the PXO.

There were significant improvements in self-reported safe crossing behaviour. Citizens reported a 16% reduction in uncontrolled mid-block crossings. The percentage of people reporting to cross using the pedestrian signals at Bay Street and Algoma Street increased from 52% to 58%.

Crossover-Ready Public Education Campaign

City Administration undertook an extensive public education campaign to prepare the citizens of Thunder Bay for the first pedestrian crossover. To assist in developing a wide-ranging campaign, the City partnered with the Thunder Bay District Health Unit, Safe Communities Thunder Bay, and received funding from the Ontario Ministry of Transportation's Road Safety Community Partnership Program.

The Crossover Ready City project spoke to citizens across a variety of mediums, both traditional and new, and used consistent messaging and style to educate drivers and pedestrians on the benefit and use of crossovers.

Preceding the installation, a large social media campaign, partner education, and mailout campaign was launched. Targeted Facebook ads, twitter posts, magnets, postcards, and mail outs were sent out prior to the installation and continued after. Along with the custom pedestrian crossover website, and media campaign, there was great awareness of the new facility through Council news coverage and plenty of opportunity for citizens to get more information, voice opinions, and ask questions.

A media launch was organized and was well attended by print, digital, and radio media outlets, as well as members of the Accessibility Advisory Committee. Following, stories of the crossover launch were featured on all mediums, generating awareness and discussion.

In addition, the Accessibility Advisory Committee highlighted the information about PXO's in their 2017 Open House event which provided information to the community about how those with disabilities could utilize PXO's. Media advertising for that event was purchased in local print media and radio spots to promote the use of the PXO's and the event.

A PXO demonstration unit was built and used to provide education to drivers and pedestrians at community events and driver training. Educational videos were also created by both the City and Thunder Bay Police.

At the April 20, 2018 Police Services Board Meeting, members of the Accessibility Advisory Committee made a deputation regarding concerns about drivers at PXOs who were not following the rules of the crossover. Members requested support from the Thunder Bay Police Service to patrol and ticket drivers who were not complying with highway traffic act requirements around PXO's. Thunder Bay Police Service held a follow up meeting with the Accessibility Advisory Committee and committed to producing new Public Safety Announcements and messaging through local media and social media as well as enforcement in PXO areas. Enforcement was planned to be focused on the summer months.

LINK TO EARTHCARE SUSTAINABILITY PLAN

This Report supports Goal 6 of the EarthCare Sustainability Plan 2014-2020 to "Inspire and influence the evolution of integrated urban mobility that is efficient, affordable, and accessible.

FINANCIAL IMPLICATION

None

CONCLUSION

It is concluded that the pedestrian crossover pilot at Algoma Street and Cornwall Avenue has been successful in providing a safe location for pedestrians to cross and additional pedestrian crossovers should be considered to address similar situations.

BACKGROUND

Report No. 59/2016 provided an update on the impacts of Bill 31 – Making Ontario Roads Safer and recommended the implementation of a pedestrian crossover as a pilot project in 2016, subject to a successful funding application through the Ministry of Transportation. Report No. 110/2016 (Engineering) recommended that a pedestrian crossover be installed on Algoma Street at the intersection of Cornwall Avenue as a pilot project and that Administration report back on the success of the pilot project after one full year in operation.

REFERENCE MATERIAL ATTACHED

None

PREPARED BY: Adam Krupper, Mobility Coordinator

THIS REPORT SIGNED AND VERIFIED BY: (NAME OF GENERAL MANAGER) Kerri Marshall, General Manager – Infrastructure Operations	DATE: August 2, 2018
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MEETING DATE 08/13/2018 (mm/dd/yyyy)

SUBJECT Sister Cities Advisory Committee

SUMMARY

Minutes of Meeting No. 3-2018 of the Sister Cities Advisory Committee held on March 14, 2018, for information.

ATTACHMENTS

1. SSAC minutes March 14 2018

DATE: WEDNESDAY, MARCH 14, 2018 **MEETING NO. 03-2018**
TIME: 12:07 P.M.
PLACE: MCNAUGHTON ROOM
CHAIR: COUNCILLOR BRIAN MCKINNON

PRESENT:

Mayor Keith Hobbs
Councillor Brian McKinnon, Chair
Ms. Hiroko Bekki-Moller
Mr. Robert Eady
Ms. Ewa Gulbinowicz
Mr. William Hryb
Ms. Josie Virdiramo

Mr. Andrew Garro, Vice Chair
(via teleconference)

OFFICIALS:

Mr. John Hannam, City Clerk
Mrs. Nyomie Korcheski, Committee Coordinator
Ms. Katie Piche, Committee Coordinator

REGRETS:

Councillor Trevor Giertuga
Mr. Youlian Peng
Ms. Cindy Salo
Mr. Matthew Villella

The Chair noted that Item 4.0 – Committee Budget Summary would be deferred to the April Committee meeting.

1.0 DISCLOSURES OF INTEREST

2.0 AGENDA APPROVAL

MOVED BY: Mr. William Hryb
SECONDED BY: Mr. Robert Eady

With respect to the March 14, 2018 Sister Cities Advisory Committee meeting, we recommend that the agenda as printed, including any additional information and new business, be confirmed.

CARRIED

3.0 MINUTES OF PREVIOUS MEETING

Minutes of meeting No. 02-2018 of the Sister Cities Advisory Committee, held February 21, 2018, was distributed separately on desks.

Minutes of meeting No. 02-2018 of the Sister Cities Advisory Committee, held February 21, 2018, to be confirmed.

MOVED BY: Mr. Robert Eady
SECONDED BY: Mayor Keith Hobbs

THAT the Minutes of Meeting No. 02-2018 held on February 21, 2018 be confirmed.

CARRIED

The Chair thanked Ms. Katie Piche, Committee Coordinator, for her exceptional work with the Committee.

4.0 COMMITTEE BUDGET SUMMARY

This item was deferred to the April Committee meeting.

5.0 LAKEHEAD UNIVERSITY PROJECT UPDATE

Mr. John Hannam provided an update and responded to questions relative to the following regarding the Lakehead University Project relating to the Sister Cities Program.

- Attendance at a short presentation at Lakehead University from the 4th year business class relating to studies of municipal operations, including the sister cities program.
- The presentation included a summary of what will be addressed in the report, which is anticipated to be complete late April 2018.
- The report is also anticipated to include recommendations relative to opportunities for the Sister Cities Program to be better communicated to the public.

Discussion was held relative to the following:

- Communication of Sister Cities activities to City Council including advising Council on delegation visits
- Communication to Council through our Corporate Communications department
- Work with Tourism division and Community Economic Development Commission relative to obtaining economic impact figures from exchanges

6.0 LIAISON'S UPDATES

6.1 DULUTH, MN

Mr. William Hryb provided an update relative to the Chef Exchange held in Thunder Bay on March 12, 2018 at Red Lion Smokehouse. It was noted that the event was extremely well received and all 70 tickets were sold out.

Mr. William Hryb also provided an update relative to the upcoming Chef Exchange being held in Duluth on April 23, 2018 at the Lake Avenue Restaurant.

Mr. Andrew Garro, via teleconference, thanked all organizers (Mr. John Hannam, Ms. Katie Piche, Mr. Matthew Villella, as well as both restaurants – The Red Lion Smokehouse and Lake Avenue Restaurant). It was noted that the Duluth delegation commented that the event at the Red Lion Smokehouse exceeded their expectations. It was also noted that there is the potential for the Chefs to expand the event with their own exchanges. Local media was also present at the event.

It was noted that in the future events will not be scheduled on a Council night unless no other date is available.

Mr. William Hryb noted that he will draft an article about the event for use in publications such as MyTbay, etc.

Mayor Keith Hobbs thanked all those involved for a successful event.

Mr. Robert Eady provided an update relative to the annual Humphrey Fellows event in Duluth being held Wednesday, April 18 to Friday, April 20, 2018. It was noted that this years' theme is Gender Violence: Human Rights and Indigenous Relations.

It was noted that Mr. Robert Eady along with the Office of the City Clerk will follow up relative to attendees.

6.2 GIFU CITY, JAPAN

Ms. Hiroko Bekki-Moller provided an update relative to Early Childhood Educator Art Exchange, through the Japanese Association and Ms. Laura Sutton at St. Paul School. Ms. Hiroko Bekki-Moller will provide more updates once a date is confirmed.

Mr. John Hannam noted that a letter has been sent to Mayor Shibihashi to welcome him as new Mayor and another letter has been sent to former Mayor Hosoe, thanking him for his support over the years.

6.3 LITTLE CANADA, MN

Ms. Josie Virdiramo noted that she will touch base with Mr. Frank Costa (55 Plus Centre) upon his return and provide an update when available.

6.4 SEINAJOKI, FINLAND

Mr. John Hannam noted that Ms. Cindy Salo, Committee Member, has been unable to attend past Committee meetings but is hoping to return to Committee meetings in the near future.

6.5 JIAOZUO, CHINA

Councillor Brian McKinnon advised that the three bronze statues, gifted by Jiaozuo to Thunder Bay, are being transported to Thunder Bay.

Mr. John Hannam noted that an application will be made to the Emerging Project Fund (through the Clean, Green and Beautiful Committee) relative to funding the concrete pads for the statues. It was also noted that plans are underway for the upcoming May visit from Jiaozuo representatives, which will include an unveiling ceremony for the statues. The Committee will continue to be provided with updates as they are available.

7.0 BUSINESS ARISING FROM PREVIOUS MINUTES

7.1 Terms of Reference Update

Handout entitled "Terms of Reference – Revised March 2018" was distributed separately, on desks, for the Committee's review.

Mr. John Hannam provided an overview relative to the above handout.

Mr. Robert Eady thanked Ms. Josie Virdiramo for all of her work on revising the Terms of Reference document.

It was the consensus of the Committee to review the draft Terms of Reference and present the document at the April meeting for a motion to accept the document.

Mr. John Hannam advised the Committee that a student through Confederation College is currently working on a project with respect to a Committee budget summary over the past 5 years. The Committee will be presented with the document once complete.

7.2 Draft Friendship Communities Corporate Policy Update

Draft Friendship Communities Corporate Policy was distributed separately, on desks, for the Committee's review.

It was noted that this item will be represented at the April Committee meeting.

7.3 Fundraising

Handout entitled "Thunder Bay Sister City – Fundraising Plan – Draft" from Ms. Ewa Gulbinowicz, was distributed separately, on desks, for Committee's review.

Ms. Ewa Gulbinowicz provided an overview relative to the above noted handout.

It was noted that Ms. Ewa Gulbinowicz will provide an electronic copy of the document to the Office of the City Clerk.

Committee members and Administration are to provide feedback and comments directly to Ms. Ewa Gulbinowicz.

Mr. John Hannam thanked Ms. Ewa Gulbinowicz for her work on the above noted document.

Discussion was held relative to the following:

- Raffles – Mr. John Hannam noted that the Committee as a Committee of Council is unable to run raffles as the Office of the City Clerk administers the lottery licenses.
- Gifu Canada Association – separate from Gifu Sister Cities
- Mr. John Hannam provided background with respect to the 2006 Ad Hoc Committee – Hospitality Committee, prior to the creation of the Sister Cities Committee.
- It was noted that since the 2007 budget year, the Sister Cities Advisory Committee has had an annual budget of \$25,000.
- Need for a budget increase to accommodate Committee activity, delegations, communications, etc.

MOVED BY: Mayor Keith Hobbs
SECONDED BY: Mr. William Hryb

With respect to the budget for the Sister Cities Committee, which has remained at \$25,000 since the 2007 budget year, we recommend an increase in the budget;

AND THAT the Office of the City Clerk will recommend an increase amount to the Committee based on Committee activity and expenses.

CARRIED

8.0 NEXT MEETING

The next meeting will be held Wednesday, April 11, 2018, at 12:00 p.m., in the McNaughton Room, 3rd Floor, City Hall.

9.0 ADJOURNMENT

The meeting adjourned at 1:30 p.m.

DEPARTMENT/ DIVISION	Community Services - Asset Management	REPORT NO.	R 110/2018
DATE PREPARED	07/18/2018	FILE NO.	
MEETING DATE	08/13/2018 (mm/dd/yyyy)		
SUBJECT	Transit Fuel Farm Replacement – Tender Award		

RECOMMENDATION

With respect to Corporate Report No. R 110/2018 (Community Services – Asset Management), we recommend that Project No. 18-124, for the Transit Fuel Farm Replacement be awarded to LTL Environmental Inc., up to the amount of \$1,419,989.44 (inclusive of all taxes and a contingency allowance);

AND THAT the Manager – Supply Management be authorized to issue any purchase orders related to this project;

AND THAT the General Manager – Community Services report any circumstances to City Council should significant variations in contract values occur as the work proceeds;

AND THAT the Mayor and Clerk be authorized to sign all documentation related to these matters;

AND THAT any necessary By-laws be presented to City Council for ratification.

EXECUTIVE SUMMARY

The work being recommended in this tender award includes the removal of the existing underground fuel storage systems and installation of a new above-ground fuel storage system.

Three responses were received as a result of a call for tenders. The low tender for this project was submitted by LTL Environmental Inc. This firm has completed similar construction contracts for this type of work. Administration is recommending them as experienced and capable of doing the work.

There are sufficient funds in existing Capital budgets for the work to proceed as Tendered. The work was funded initially through Corporate Report R20/2017, with matching dollars through the Federal Government's PTIF (Public Transit Infrastructure Fund). The remainder of funds have been secured from the 2018 Capital - General Reserve Fund.

DISCUSSION

TBTE (Thunder Bay Testing and Engineering) was retained via the RFP process to provide design development, contract documents, and contract administration services for the work associated with the Transit Fuel Farm Replacement.

This is the first in a number of fuel system upgrades that will be initiated in the coming years across the municipality, and so the design of future systems will use similar components and processes to this one.

The work associated with the fuel storage upgrades includes;

- Removal of underground storage tanks and associated piping;
- Remediation of fill and other areas of the parking lot;
- Installation of new above ground diesel and gasoline storage tanks, including associated piping and controls systems;
- Integration with existing control systems within Transit;
- Remediation of local drainage issues on the site and rehabilitation of pavement;
- Installation of new jersey barriers around sensitive equipment;
- Separate Pricing for the Flagpole Installation and STC 300i Oil Grit Separator were not accepted.

As the existing underground fuel storage system was nearing the end of its useful life, the opportunity to utilize PTIF funding for this renewal was ideal.

A public tender was advertised in the Chronicle Journal on Saturday, June 30th 2018, and submissions were publicly opened on Tuesday July 24th, 2018 at 2:30 PM.

As a result of a call for tenders, three (3) responses as listed below were received. The tendered costs below include HST.

<u>Contractor</u>	<u>Tendered Cost</u>
LTL Environmental Inc.	\$ 1,313,989.44
Mansfield (NWO) Construction	\$ 1,377,470.00
Taranis Contracting Group Ltd.	\$ 1,423,479.08

The tender results reflect less than a 10% difference from the low bid to the high bid. Administration is of the opinion that the bids received are competitive; and accurately reflect the current construction market conditions in Thunder Bay.

The low tender for this project was submitted by LTL Environmental Inc. This company has successfully completed similar construction contracts of this type for the City of Thunder Bay.

CLEAN, GREEN, and BEAUTIFUL Policy

The Transit Fuel Farm Project has followed the principles of the Policy where applicable. The project meets criteria under the Clean, Green and Beautiful factor groups as indicated below.

Clean	Green	Beautiful
Source Water Protection – Best Practice: Removal of potential source of contamination (underground storage of fuel)	Protecting Ecological Integrity: The incorporation of leak detection equipment and modern mitigation measures.	Conforms to Design Guidelines: Design conforms to COTB Engineering Storm Water Management, and the Corporate Energy Management Plan.
Solid Waste Management- mandatory recycling specified in the Contract Documents.		

FINANCIAL IMPLICATION

Cost identified below is inclusive of HST:

Low Tender	\$ 1,313,989.44
Project Contingency	\$ 106,000.00
Less HST Rebate	<u>\$(130,701.95)</u>
Net Cost	\$ 1,289,287.49

There are sufficient funds in existing Capital budgets for the work to proceed as Tendered. The work was funded initially through Corporate Report R20/2017, with matching dollars through the Federal Government's PTIF (Public Transit Infrastructure Fund). The remainder of funds have been secured from the 2018 Capital- General Reserve Fund.

CONCLUSION

It is concluded that Project No. 18-124 for the Transit Fuel Farm Replacement be awarded to LTL Environmental Inc., in the amount of \$1,183,287.49 (inclusive of all taxes and tax rebates); and that the work proceed as tendered.

BACKGROUND

The 2016 Federal Budget was released on March 22, 2016. The Budget included \$120 billion over 10 years in federal infrastructure funding commitments nationally, to be delivered in two phases.

Key transportation items in the 2016 Federal Budget included the investment of \$11.9 billion in transit infrastructure over five years, including the PTIF (Public Transit Infrastructure Fund) to upgrade and improve public transit systems.

This project was one of several that had been approved for PTIF funding by Infrastructure Canada, which allows these improvements to be completed at a reduced net cost for the City of Thunder Bay.

Details of the PTIF funding and approvals for matching dollars can be found in Corporate Report #R20-2017, which was carried by committee under Resolution 16 on February 13, 2017.

On January 22, 2018, a Memorandum was issued to Council requesting additional funds to be allocated to the project, after Supply Management engaged the services of an engineering firm to undertake a detailed conditions assessment and identify necessary capital improvements/upgrades.

Based on the report's findings the estimated capital cost to replace the Transit Fuel Farm was \$820,000, which exceeded the original estimates submitted to PTIF for matching funds.

\$354,300 was added to the 2018 Capital Budget from the Capital – General Reserve Fund at that point to cover the difference.

REFERENCE MATERIAL ATTACHED

None.

PREPARED BY: *Kelvin Jankowski, Contract Coordinator – Construction Services*

THIS REPORT SIGNED AND VERIFIED BY: (NAME OF GENERAL MANAGER) Kelly Robertson, General Manager, Community Services	DATE: July 26, 2018
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DEPARTMENT/ DIVISION	City Manager's Office – Corporate Strategic Services	REPORT NO.	R 107/2018
DATE PREPARED	07/13/2018	FILE NO.	
MEETING DATE	(mm/dd/yyyy) 08/13/2018		
SUBJECT	Transfer of Tourism Thunder Bay to CEDC		

RECOMMENDATION

With respect to Report No. R 107/2018 (City Manager's Office - Corporate Strategic Services), we recommend that City Council authorize the transfer of management responsibilities over Tourism Thunder Bay and its brand from the City of Thunder Bay to the Thunder Bay Community Economic Development Commission;

AND THAT the transfer be effective as of the close of business on August 31, 2018;

AND THAT the transfer include the 2018 annual operating budget and expenses to date of Tourism Thunder Bay;

AND THAT any necessary by-laws be presented to City Council for ratification.

EXECUTIVE SUMMARY

The purpose of this Report is to seek authorization to transfer management responsibilities over Tourism Thunder Bay and its brand from the City to the Thunder Bay Community Economic Development Commission.

The CEDC is incorporated as a not-for-profit with responsibility for economic development in Thunder Bay. Tourism is a significant driver for economic development.

The transfer of responsibilities over tourism from the City to CEDC is proposed to allow CEDC to be designated as the "eligible tourism entity" for receipt of 50% of net funds collected under the Municipal Accommodation Tax, which Council has approved for implementation on September 1, 2018 at a rate of 4%.

LINK TO STRATEGIC PLAN

Becoming our Best, the 2015-2018 Corporate Strategic Plan includes the following:

Goal 13: Premier visitor destination

Goal 15: Welcoming to world with globally enhanced image and identity

DISCUSSION

The Thunder Bay Community Economic Development Commission was incorporated to further economic development on a not-for-profit basis on November 9, 2006. Tourism is one of the most significant economic development sectors for Thunder Bay.

Based on information received from the Manager of Tourism Thunder Bay, tourism in Thunder Bay represents annually a \$160 million local industry impacting over 1,300 local businesses and over 3,000 full time equivalent positions.

Municipalities such as Sudbury and Sault Ste. Marie have models where economic development and tourism are housed together in a not-for-profit Corporation with oversight by a Board of Directors.

Benefits of this model, as opposed to a standalone Tourism not-for-profit, include human resource capacity, succession planning for economic development expertise, synergies of shared resources and a strong central voice for tourism promotion and product development under the well-established name, Tourism Thunder Bay, for marketing purposes.

Currently the Tourism section is located within the Corporate Strategic Services division of the City Manager's department under the Corporation of the City of Thunder Bay.

The section has 9.34 full time equivalent employees. Consultations have been undertaken with affected staff and CUPE, with no concerns raised at that time about the transfer, and formal advance notice of the change will be provided following Council's approval.

The transfer of responsibilities over tourism from the City to CEDC is proposed to allow CEDC to be designated as the "eligible tourism entity" for receipt of 50% of net funds collected under the Municipal Accommodation Tax, which Council has approved for implementation on September 1, 2018 at a rate of 4%.

FINANCIAL IMPLICATION

Subject to Council's approval of the transfer of the management responsibilities of Tourism Thunder Bay and the Tourism Thunder Bay brand to CEDC, the 2018 Tourism Net Operating Budget of \$1.08 million and net expenses to date would be transferred to CEDC.

CONCLUSION

It is concluded that the transfer of management responsibilities of Tourism Thunder Bay and its brand to the CEDC should take effect at the close of business on August 31, 2018.

BACKGROUND

The Community Economic Development Commission (CEDC) was created in 2006 and is headed by a CEO reporting to an independent board. Prior to 2006, Tourism Economic Development existed together as a combined unit under the City Manager (2005) and, prior to that, under the Development Department.

On May 17, 2017, in response to municipalities' request, the Province enacted Bill 127, Stronger, Healthier Ontario Act, 2017, providing single and lower-tier municipalities the authority to levy a transient accommodations tax (hotel tax).

The Municipal Accommodation Tax is a new revenue tool that Ontario municipalities can use to further promote tourism as an economic driver within their city boundaries and the province as a whole.

On December 1, 2017, the Transient Accommodation Regulation 435/17 came into force and provided the necessary authority for municipalities across Ontario to implement a Municipal Accommodation Tax (MAT).

The Municipal Accommodation Tax at the 4% rate approved by City Council is estimated to potentially generate approximately \$2 million annually.

The Regulation prescribes how revenues are to be shared between the respective municipalities and designated eligible not-for profit tourism organization(s).

Fifty per cent of the net revenues are to be remitted annually to one or more eligible not for profit tourism entity(ies). "Eligible tourism entity" is defined broadly in the Regulation as a non-profit entity whose mandate includes the promotion of tourism in Ontario or in a municipality. The Regulation defines Tourism promotion to include product development.

REFERENCE MATERIAL ATTACHED:

None

PREPARED BY: *Karen Lewis, Director – Corporate Strategic Services*

THIS REPORT SIGNED AND VERIFIED BY: (NAME OF GENERAL MANAGER) Norm Gale, City Manager	DATE: July 31, 2018
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DEPARTMENT/ DIVISION	City Manager's Office - Office of the City Clerk	REPORT NO.	R 108/2018
DATE PREPARED	07/13/2018	FILE NO.	
MEETING DATE	(mm/dd/yyyy) 08/13/2018		
SUBJECT	Municipal Accommodation Tax (MAT) – Implementation		

RECOMMENDATION

With respect to Report No. R 108/2018 (City Manager's Office – Corporate Strategic Services) the Implementation Plan for the Municipal Accommodation Tax as outlined in this Report is received for information;

AND THAT a new reserve fund "Municipal Accommodation Tax" be created to receive 50% of net revenues to provide funding to finance City infrastructure projects that promote tourism and that benefit residents and visitors;

AND THAT any necessary by-laws be presented to City Council for ratification.

EXECUTIVE SUMMARY

The purpose of this Report is to provide information on the Implementation Plan for the Municipal Accommodation Tax approved by City Council for implementation effective September 1, 2018, at a rate of 4%, and to establish a reserve fund to receive 50% of net revenues to provide funding to finance City infrastructure projects that promote tourism and that benefit residents and visitors.

The Municipal Accommodation Tax is a new revenue tool that Ontario municipalities can use to further promote tourism as an economic driver within their city boundaries and the province as a whole.

LINK TO STRATEGIC PLAN

Becoming our Best, the 2015-2018 Corporate Strategic Plan includes the following:

Goal 13: Premier visitor destination

Goal 15: Welcoming to world with globally enhanced image and identity

DISCUSSION

On December 1, 2017, the Transient Accommodation Regulation 435/17 came into force and provided the necessary authority for municipalities across Ontario to implement a Municipal Accommodation Tax (MAT).

The Municipal Accommodation Tax is estimated to generate \$2 million annually at the 4% rate approved by City Council.

Revenue Sharing

The Regulation prescribes how revenues are to be shared between the respective municipalities and designated eligible not-for profit tourism organization(s).

Fifty per cent of the net revenues are to be remitted annually to one or more eligible not for profit tourism entity(ies). “Eligible tourism entity” is defined broadly in the Regulation as a non-profit entity whose mandate includes the promotion of tourism in Ontario or in a municipality. The Regulation defines Tourism promotion to include product development. For example, the Tourism Thunder Bay Product Development Guiding Document (2017-2021) was approved in principle by Committee of the Whole on November 27, 2017 and ratified by City Council on December 4, 2017. The Guiding Document identified that, subject to Council’s approval to proceed, this new revenue tool could generate significant funding annually for tourism product development support that could include:

- Sport and corporate event bid support and hosting
- Financial capital investments in large scale community tourism infrastructure
- Cultural event development and ongoing support
- Financial support program to incubate new product development

While the City’s use of its share of the MAT, consisting of the other 50% of net revenues, is unrestricted, in keeping with the spirit of the tax, Administration recommends the City’s portion be used to finance City infrastructure projects that promote tourism and that benefit residents and visitors.

The Municipal Accommodation Tax is a new revenue tool that Ontario municipalities can use to further promote tourism as an economic driver within their city boundaries and the province as a whole.

On May 17, 2017, in response to municipalities’ request, the Province enacted Bill 127, *Stronger, Healthier Ontario Act, 2017*, providing single and lower-tier municipalities the authority to levy a transient accommodation tax (hotel tax). The Transient Accommodation Regulation 435/17 came into force on December 1, 2017, and provides the necessary provisions for municipalities across Ontario to implement a Municipal Accommodation Tax (MAT).

The Regulation applies if a municipality imposes a tax in respect of the purchase of transient accommodation in the municipality under section 400.1 of the Act.

Implementation Plan

Key elements to support effective implementation include:

By-Law 74/2018

Legal Services has finalized By-law 74/2018 to establish a Municipal Accommodation Tax for approval by City Council on August 13, 2018. The By-law establishes the rules for collection and enforcement of the Municipal Accommodation Tax, which City Council approved for implementation by resolution on June 4, 2018. The City will work with Accommodation Establishments to support their effective implementation of the Municipal Accommodation Tax with a grace period for compliance with the By-law for the first three months.

Accommodation Establishment Information Form

Financial Service has developed the Accommodation Establishment Information Form (Schedule A to By-law 74/2018) which accommodation providers will be required to complete and submit in order to generate a customer ID for the purposes of enforcing the By-law.

Tax Return Form

Financial Services has developed the Municipal Accommodation Tax Return form and instructions (Schedule B to By-law 74/2018) which will be mailed to Establishments the week of August 13, 2018.

Letter to Establishments

On June 20, 2018, a registered letter was sent to hotels, motels, hostels and short-term accommodators to advise that City Council had approved the implementation of the Municipal Accommodation Tax at a rate of 4%, effective September 1, 2018 (Attachment A).

Website

Corporate Communications and Tourism Thunder Bay will create a Municipal Accommodation Tax section on the new City website to include background, Frequently Asked Questions for Establishments and Guests (Attachments B C), related Corporate Reports and Resolutions and the Letter to Establishments.

Other Communications

A Tourism Matters postcard featuring Thunder Bay's top tourism experiences and a link to FAQs on the Municipal Accommodation Tax will be sent to Establishments in August. Establishments will also be provided with FAQs for Guests to display at their front desks.

Tourism Entity Agreement

The proposed agreement with the eligible not-for-profit Tourism Entity is discussed in Report R109/2018.

FINANCIAL IMPLICATIONS

At the approved rate of 4%, the Municipal Accommodation Tax is estimated to generate \$2 million. The net revenues would be shared between the municipality and eligible not-for-profit(s) for tourism promotion, which is defined to include product development.

The revenue could be a catalyst to attract business travelers for more meetings and conventions and participant visitors for additional sports and cultural events. For example, monies from the fund could be used for new or the enhancement of sports or cultural infrastructure that will provide the opportunity to host regional, provincial, national and international events.

The City's 50% of net revenues are proposed to be used to finance City infrastructure projects that promote tourism and benefit residents and visitors;

The monies from the Municipal Accommodation Tax could be used as private sector investment to leverage provincial and federal funds for infrastructure development with tourism implications.

BACKGROUND

Destination Marketing Fund fees (DMF) or a Destination Marketing Tax has been a common revenue tool used globally to support tourism marketing and product development strategies. These funds are often collected through either a percentage or flat monetary fee on transient accommodations (hotels).

In Ontario, prior to December 1, 2017, 29 municipalities had industry led voluntary DMF programs, including Toronto, Ottawa, Niagara Falls and in Northern Ontario, Kenora, Sault Ste. Marie and North Bay.

Thunder Bay is one of a number of Municipalities in Ontario that did not have a voluntary Destination Marketing Fee when the new Regulation was enacted on December 1, 2017.

Tourism Thunder Bay has been an advocate for a Thunder Bay hotel tax. Over the past nine years a number of attempts were made to establish a Destination Management Fund in partnership with the accommodation sector but each time the matter was deferred by the Thunder Bay Hotel Association for further discussion or planning. The local hotel association is made up of approximately 14 properties, including the city's conference hotels and branded hotel chains.

The Tourism Thunder Bay Product Development Guiding Document (2017-2021) was approved in principle by Committee of the Whole on November 27, 2017, and ratified by City Council on December 4, 2017. The Guiding Document identified that, subject to Council's approval to proceed, the Municipal Accommodation Tax could generate significant funding annually for tourism development support that could include:

- Sport and corporate event bid support and hosting
- Financial capital investments in large scale community tourism infrastructure
- Cultural event development and ongoing support
- Financial support program to incubate new product development

On June 4, 2018, City Council approved implementation of the Municipal Accommodation Tax at a rate of 4%, effective September 1, 2018.

CONCLUSION

It is concluded that a new reserve fund “Municipal Accommodation Tax ” be created to receive 50% of net revenues to provide funding to finance City infrastructure projects that promote tourism and benefit residents and visitors.

REFERENCE MATERIAL ATTACHED

Attachment A – Letter to Establishments
Attachment B – FAQs for Establishments
Attachment C – FAQs for Guests

PREPARED BY: Ms. K. Lewis, Director – Corporate Strategic Services

THIS REPORT SIGNED AND VERIFIED BY: (NAME OF GENERAL MANAGER) Norm Gale, City Manager	DATE: July 31, 2018
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June 20, 2018

[Accommodation Provider]

[Address]

Sent by Registered Mail

Important Notice – Municipal Tax Approved

Dear [Name of Owner or Manager],

On June 4, City Council approved a new tax that affects you and your guests.

As of September 1, 2018, all hotels, motels and short-term accommodations must collect the Municipal Accommodation Tax on all stays under 30 days.

The rate is four per cent. This rate is consistent with other municipalities across Ontario already applying the tax.

Other services including meeting room rentals, food & beverage, parking, and room service are exempt.

Hotel, motel and other short term accommodation providers are required to:

- Prepare and update payment systems and invoices.
- Collect and remit the four percent MAT on all rooms sold for under 30 days.
- Include a separate line item on guest invoices identifying the 4% Municipal Accommodation Tax and the amount collected.

More information on the remittance process and forms will be communicated by mail over the coming weeks.

A detailed proposal for the governance structure to manage and invest the funds to promote tourism will be presented to City Council for approval this summer. The City will continue to work with partners to develop a model that effectively involves the accommodation sector and tourism industry in the decision-making for this new investment tool.

For more information, contact John Cameron, Tourism Development Officer II, at: 625-3231 or jcameron@thunderbay.ca

Yours truly,



Karen Lewis

Director – Corporate Strategic Services

Corporate Communications | Strategic Initiatives | Tourism Thunder Bay

Draft FAQs for Accommodation Providers

The City of Thunder Bay passed By-Law 74/2018 to establish a Municipal Accommodation Tax at a rate of 4% effective September 1, 2018. [*Subject to Council approval of the By-law.*]

General Questions

What is the Municipal Accommodation Tax?

The Municipal Accommodation Tax, or MAT, is a 4 percent fee charged on the cost of fixed roof transient accommodations sold for a continuous period of less than 30 days within the boundaries of the City of Thunder Bay.

The tax applies to all accommodation sold for a continuous period of less than 30 days in a hotel, motel, lodge, inn, hostel, bed and breakfast, dwelling unit or any place an accommodation is provided.

When do I start charging the Municipal Accommodation Tax?

Effective September 1, 2018.

Is this a mandatory or voluntary tax?

Mandatory – the Municipal Accommodation Tax must be collected by the accommodation provider at the same time customers pay for the booking.

What is the authority to charge the Municipal Accommodation Tax?

On August 13, 2018 City of Thunder Bay Council passed a by-law, which provides for mandatory collection and remittance of the Municipal Accommodation Tax. The municipality is authorized per section 400.1 of the Municipal Act, 2001 and Ontario Regulation 435/17 to establish and to collect the tax.

What is the purpose of the Municipal Accommodation Tax and how will the revenue be used?

The City is required to pay 50 per cent of the net revenue to an eligible tourism entity to be used to promote tourism, including product development. Council designated the *[insert Entity following Council decision, expected of August 13]* to be the eligible entity to receive and spend these funds. The remaining 50 per cent of the net revenue will be transferred to a reserve fund to be used as Council directs. In keeping with the spirit of the tax, Administration recommends the City's portion be used to finance City infrastructure projects that promote tourism and that benefit residents and visitors.

Will the City recover costs of collecting and administering the MAT program?

Yes. An amount of 2% is estimated but will not be known until there is a history. Costs incurred may include staffing, development of forms, systems, information technology cost, banking/point of sale fees, and audit or third party costs including legal and collection agency costs to collect funds owing.

Exemption Questions**What hotel/accommodation charges are exempt from the Municipal Accommodation Tax?**

- Amenity fees and service charges including meals, room incidentals, valet services or parking provided they are separately itemized on the invoice.
- Hospitality rooms and meeting rooms that do not contain a bed are not considered accommodations.

What accommodations are exempt from the Municipal Accommodation Tax?

- Stays for a period of 30 or more consecutive days
- Accommodations provided by:
 - Province of Ontario
 - The Government of Canada
 - School Boards
 - University or college
 - hospitals, long-term care facilities, retirement homes and hospices
 - shelters, treatment centres and lodging of reformation of offenders
 - campgrounds, tent and trailer sites

Why is an exemption granted to the accommodations at the university and college?

The Regulation exempts universities and college residences from charging the Municipal Accommodation Tax at all times even during non-school use, including in the summer when they rent

out the dorm rooms to other groups and travellers. Some municipalities in Ontario that are home to universities and colleges are asking the institutions to voluntarily remit when rooms are booked by transient travelers during non-school times. Tourism Thunder Bay staff have initiated discussions with local institutions on voluntary remission.

Are long-term contracts with businesses that exceed 30 days exempt, even though the business may authorize its employees to stay for various periods of time less than 30 days?

The Municipal Accommodation Tax applies to purchasers that utilize the accommodation for less than 30 consecutive days. The purchaser, per the By-law, is the guest in the room and therefore the Municipal Accommodation Tax would apply and must be collected.

What if I have existing contracts with businesses with a fixed room rate?

Municipal Accommodation Tax applies to accommodations purchased on or after September 1, 2018. If payment occurs on or after September 1st for accommodation occupied on or after September 1st, Municipal Accommodation Tax applies even if provided through a corporate contract.

Invoicing information

Do I need to disclose the Municipal Accommodation Tax on the invoice or receipt provided to the Purchaser?

Yes, every bill, receipt, invoice or similar document for the purchase of accommodation must have a separate item identified as “Municipal Accommodation Tax” showing the rate at which the MAT is calculated (4 per cent) and the amount of the MAT charged.

Is the Harmonized Sales Tax (HST) charged on the Municipal Accommodation Tax?

If the accommodation provider is registered for HST, they are responsible for collecting and remitting the HST on the entire room charge, including the Municipal Accommodation Tax, and must remit the HST directly to the Canada Revenue Agency.

What revenue does the Municipal Accommodation Tax apply to if I charge a fee that includes accommodation and meals (i.e. bed and breakfast)?

It is the responsibility of the accommodation provider to allocate the revenue from the accommodation charge separate from other services, amenities or charges on the invoice and collect and remit the Municipal Accommodation Tax on the overnight accommodation portion of the fees. If the fees are not separately listed on the invoice, the Municipal Accommodation Tax will apply to the entire invoice.

What happens if guests do not show up for their reservation?

The MAT is to be collected and remitted if the accommodation is charged. If the guest is not charged but is required to pay a cancellation fee, the MAT would not apply to the cancellation fee.

Transition Questions

Do I have to charge the Municipal Accommodation Tax if a guest has booked their stay prior to September 1, 2018, when the MAT is implemented?

If the accommodation was booked and paid for prior to September 1, 2018, the MAT is not applicable. If the accommodation was booked before September 1, 2018, but paid for on or after September 1, 2018, the MAT is to be charged, collected and remitted.

If a guest's stay begins prior to September 1, 2018 and ends after September 1, 2018, do I charge the Municipal Accommodation Tax when their stay begins?

The MAT must be charged starting September 1, 2018. The MAT is not to be applied to any nights prior to September 1, 2018.

If a guest puts a deposit to hold a room prior to September 1, 2018 for a booking September 1, 2018 or later, does Municipal Accommodation Tax apply?

Yes, if final payment in full for accommodation occurs on or after September 1, 2018 MAT applies to the accommodation rate, regardless of any deposits made.

When is my first remittance due?

The MAT collected for the month of September must be reported and paid to the City by October 31, 2018.

Quarterly remitters are required to follow a calendar year with the third quarter ending September 30th and remittance due to the City by October 31, 2018.

Collection and Remittance

How do I report the MAT that I collected?

You must complete the City of Thunder Bay's Municipal Accommodation Tax Return Form. The forms are located on the City's website *[insert URL]* and includes due dates.

When do I have to submit my Report to the City on the MAT I collected?

Reporting and payment is due as follows:

- a) Monthly HST remitters shall remit the amount of the Municipal Accommodation Tax collected for the previous month on or before the last day of every month. For example, monies collected in September must be remitted by the end of October.
- b) Quarterly and annual HST remitters and Providers not registered for HST shall remit the amount of the Municipal Accommodation Tax collected for the previous quarter on or before the last day of the month following the end of the quarter. For example, if your quarter ends September 30 monies must be remitted by end of October..

How do I remit the MAT that I collected?

Payment to the City can be made via the following methods:

- **In Person or by Mail**

City of Thunder Bay
Attn: Cashiers-Municipal Accommodation Tax
Victoriaville Civic Centre
111 Syndicate Avenue S
Thunder Bay Ontario P7E 6S4
Hours: 8:30 - 4:30
Payment Options: Cash, Debit, Cheque

Payments must be accompanied with the remittance form.

Please make cheques payable to "City of Thunder Bay". Payments which are returned will be subject to a dishonoured payment fee in accordance with the City's Miscellaneous User Fee By-law .

What happens if I am late in submitting my payment for Municipal Accommodation Tax collected?

Late payment charges will be charged on outstanding balances at a rate as prescribed by Council, which is currently 1.25% compounded monthly on the first day of default and the first day of each subsequent month for any amount of the Municipal Accommodation Tax that remains due.

What if a refund was issued to a guest after submitting the return?

Adjustments from prior reporting periods can be made in the period the refund was returned.

What if I did not collect any Municipal Accommodation Tax in the reporting period?

If you did not sell any accommodations subject to the MAT and thus no MAT was collected, you will still

be required to submit the Municipal Accommodation Tax Return indicating that no MAT was collected in the reporting period.

What if I did not charge and collect any Municipal Accommodation Tax from purchasers?

If you fail to collect the MAT from the purchaser, you will be liable for the amount which should have been charged and collected.

Will the City have an audit process to verify monthly Remittance Reports from the Providers?

The City and/or its agent has the authority to inspect and audit all books, documents, transactions and accounts of accommodation Providers. Accommodation Providers must keep books of account, records and all documents related to the sale of accommodations, amount of the Municipal Accommodation Tax collected and remitted to the City for a period of seven years.

Why do I need to complete an Accommodation Establishment Information Form?

The Accommodation Establishment Information Form will be used by the City to set up your establishment name, address and contact information correctly in our accounting system and provide you with a customer ID. This customer ID will then be used to associate your monthly remittances and payments with the proper establishment.

Draft FAQs for Accommodation Guests

A By-law was approved by Thunder Bay City Council [*subject to approval at City Council on August 13, 2018*] implementing a mandatory four per cent Municipal Accommodation Tax (MAT) effective September 1, 2018. The By-law applies to the purchase of accommodations provided for a continuous period of less than 30 days

What is the Municipal Accommodation Tax (MAT)?

The tax is added to the price paid for a room booked at a fixed roof accommodation in the City of Thunder Bay. The rate is 4% of the total room cost. For example, if the room cost is \$100.00 per night, the Municipal Accommodation Tax is \$4.00 per night.

The charge applies to all accommodation sold for a continuous period of less than 30 days in a hotel, motel, lodge, inn, hostel, bed and breakfast, dwelling unit and other place transient accommodation is provided operating within the City of Thunder Bay.

The tax is effective September 1, 2018.

How is the Municipal Accommodation Tax applied to the purchase price of accommodations?

The tax must be clearly identified as a line item on your bill or invoice as “Municipal Accommodation Tax” with the amount charged.

The Municipal Accommodation Tax is only applied to the total purchase price of your accommodation (i.e. room fee). It does not apply to amenity fees or service charges including meals, room incidentals, valet services or parking. However, to be exempt from the Municipal Accommodation Tax, these amenities and services charges must be separately itemized on the invoice/bill.

Is the payment of the Municipal Accommodation Tax optional?

No. The Municipal Accommodation Tax is mandatory as per City By-law. It must be paid at the same time you complete the purchase, in full, for your stay.

If I’m travelling for medical purposes do I have to pay the MAT?

Yes. However, many accommodation providers offer compassionate rates that are applied at their own discretion. Further, the Ontario Ministry of Health & Long-Term Care provides funding through the Northern Health Travel Grant for eligible applicants.

For more information, visit the Ministry website.

<http://www.health.gov.on.ca/en/public/publications/ohip/northern.aspx>

Do I still need to pay the Municipal Accommodation Tax if I do not show up for the reservation? If you do not cancel your room reservation and you are charged for accommodation (no-show included) the Municipal Accommodation Tax will be charged. If you are not charged for the accommodation but subject to a cancellation fee, the Municipal Accommodation Tax would not apply.

What happens with the money collected through the Municipal Accommodation Tax?

The tax will generate significant funding annually to enhance tourism offerings for visitors to the City of Thunder Bay. 50 per cent of the net revenue from the Municipal Accommodation Tax will go to *[insert entity after approved by Council]* for tourism promotion and development with a focus on attracting more visitors to the City through sports and cultural events, conventions, enhanced attractions and outdoor activities.

The other 50 per cent of the net revenue from the Municipal Accommodation Tax will go to the municipality.

DEPARTMENT/ DIVISION	City Manager's Office - Office of the City Clerk	REPORT NO.	R 109/2018
DATE PREPARED	07/13/2018	FILE NO.	
MEETING DATE	08/13/2018 (mm/dd/yyyy)		
SUBJECT	Municipal Accommodation Tax (MAT) – Designated Entity		

RECOMMENDATION

With respect to Report No. R 109/2018 (City Manager's Office – Corporate Strategic Services) we recommend approval of the designation of Thunder Bay Community Economic Development Commission (CEDC) as the entity to receive 50% of net revenues from the Municipal Accommodation Tax collected by the City;

AND THAT the City Manager, or designate, will develop agreements including all necessary documents ancillary thereto, with CEDC respecting reasonable financial accountability matters in order to ensure the amount paid to the CEDC is used for the exclusive purpose of promoting tourism, and the agreement may provide for other matters, all in a form satisfactory to Legal Services;

AND THAT any necessary by-laws be presented to City Council for ratification.

EXECUTIVE SUMMARY

Subject to Council's transfer of the management responsibilities of Tourism Thunder Bay to CEDC (Report R107/2018), the purpose of this Report is to designate the Thunder Bay Community Economic Development Commission as the eligible tourism entity to receive 50% of net revenues from the Municipal Accommodation Tax collected by the City.

The funds must be used for the exclusive purpose of tourism promotion, which is defined to include tourism product development.

LINK TO STRATEGIC PLAN

Becoming our Best, the 2015-2018 Corporate Strategic Plan includes the following:

Goal 13: Premier visitor destination

Goal 15: Welcoming to world with globally enhanced image and identity

DISCUSSION

The Municipal Accommodation Tax is a new revenue tool that Ontario municipalities can use to further promote tourism as an economic driver within their city boundaries and the province as a whole.

On June 4, 2018, Thunder Bay City Council approved the implementation of the Municipal Accommodation Tax, effective September 1, 2018, at a rate of 4%.

Revenue Sharing

Ontario Transient Accommodation Regulation 435/17 prescribes how revenues are to be shared between the respective municipalities and designated eligible not-for profit tourism organization(s).

Fifty per cent of the net revenues are to be remitted annually to one or more eligible not for profit tourism entity(ies). “Eligible tourism entity” is defined broadly in the Regulation as a non-profit entity whose mandate includes the promotion of tourism in Ontario or in a municipality. The Regulation defines Tourism promotion to include product development.

The Tourism Thunder Bay Product Development Guiding Document (2017-2021) was approved in principle by Committee of the Whole on November 27, 2017 and ratified by City Council on December 4, 2017. The Guiding Document identified this new revenue tool could generate significant funding annually for tourism product development support that could include:

- Sport and corporate event bid support and hosting
- Financial capital investments in large scale community tourism infrastructure
- Cultural event development and ongoing support
- Financial support program to incubate new product development

Why Designate CEDC as the Entity?

The Thunder Bay Community Economic Development Commission was incorporated in 2006 as a not for profit. Its purpose is to promote economic development. Tourism is one of the most significant economic drivers for Thunder Bay.

There are many benefits to designating CEDC, operating with Tourism Thunder Bay as a department, as the entity to receive net revenues from the Municipal Accommodation Tax. Key elements of the rationale to designate CEDC include the following:

- The combined economic development/tourism model has proven successful in other Northern Ontario communities such as Sault Ste. Marie and Sudbury.
- This model avoids duplication of administrative functions and maximizes human resource capacity and succession planning for economic development.

- This model furthers one strong voice for tourism promotion and product development.
- Tourism Thunder Bay is the recognized Destination Marketing Organization by various Provincial bodies.
- The CEDC is a not-for-profit entity led by a CEO reporting to an independent, largely private sector, Board of Directors. Its purpose is to promote economic development.
- Tourism is a significant driver for economic development.
- This model supports effective use of shared resources. For example, the Entrepreneur Centre, which operates out of CEDC, is available to support tourism businesses that may also be supported by Tourism Thunder Bay staff.

Tourism Entity Agreement

As previously noted, the City is required to share the net MAT collected with an Eligible Tourism Entity. The Thunder Bay Community Economic Development Commission is expanding its objectives to more clearly include tourism and the development of tourism products as part of its mandate, as required by the legislation. Subject to Council's approval of Report R107/2018, Tourism Thunder Bay will become a department of CEDC.

As the designated Eligible Tourism Entity, the CEDC will be responsible for investing its share of the net MAT revenues into the City of Thunder Bay tourism sector to fulfill the primary objective of bringing more visitors to the City each year. To implement this, an agreement will be entered into with the CEDC in accordance with Regulation 435/17 and By-law 74/2018. The proposed By-law authorizes the City Manager, or designate, to enter into this agreement.

The agreement will govern the terms on which the MAT funding will be provided and set out financial accountability measures to ensure that amounts paid to the Eligible Tourism Entity are used for the exclusive purpose of promoting tourism, which includes product development.

In keeping with consultation in May where industry asked for a voice in the use of the MAT funds, the proposed agreement will require the CEDC to establish a sub-committee such as a Tourism Investment Advisory Board, appointed by the CEDC, which includes representation from the tourism sector and accommodation providers, as well as CEDC.

The Advisory Board will review and collaborate on a framework to recommend to the CEDC Board an updated tourism strategy designed to guide tourism promotion and marketing, product development and guide the expenditure of the funds generated by the MAT and paid to the CEDC.

As part of the financial responsibility measures, and in keeping with Regulation 435/17, to ensure the funds are used only for the promotion of tourism activities and tourism products, the Agreement will also require annual reporting to City Council regarding the expenditure of the MAT funds and the impact on the tourism industry.

Ongoing CEDC Planning

In preparation for the designation, subject to Council's approval, the Thunder Bay Community Economic Development Commission has met with a planning team including the Thunder Bay Hotel Association and Thunder Bay Chamber of Commerce to develop a model for a Tourism Investment Advisory Board for consideration by the CEDC Board. That model includes seven voting members appointed by the CEDC Board as follows:

Recommended by their organizations for a three-year term (up to two terms)

- (One) private sector representative of the CEDC Board
- (Two) Thunder Bay Hotel Association Members – one hotel and one motel
- (One) Thunder Bay Chamber of Commerce representative from tourism-related industry including restaurant / retail / or small business

Appointed by the CEDC Board for a two-year term (up to two terms) from submissions following an advertised invitation to submit nominations

- (One) representative of Attractions or Events
- (One) representative of Financial Services Sector (e.g., accounting or banking)
- (One) representative of Community Tourism Partner (e.g., transportation, tourism support services)

Ex-Officio (non-voting)

- CEO – CEDC
- Manager – Tourism Thunder Bay

The Advisory Board, once formalized and appointed by CEDC, will hold visioning and planning meetings to review and collaborate on a framework to recommend to the CEDC Board an updated tourism strategy. This strategy will be designed to guide tourism promotion and marketing, product development and guide the expenditure of the funds generated by the MAT and paid to the CEDC.

FINANCIAL IMPLICATIONS

At the approved rate of 4%, the Municipal Accommodation Tax is expected to generate approximately \$2 million annually. The net revenues would be shared between the municipality and CEDC. The CEDC must use its portion of the revenues for tourism promotion, which is defined to include product development.

The revenue could be a catalyst to attract business travelers for more meetings and conventions and participant visitors for additional sports and cultural events. For example, monies from the fund could be used for new or the enhancement of sports or cultural infrastructure that will provide the opportunity to host regional, provincial, national and international events.

The City's 50% of net revenues are proposed in Report R108/2018 to be used to finance City infrastructure projects that promote tourism and benefit residents and visitors;

The monies from the Municipal Accommodation Tax could be used as private sector investment to leverage provincial and federal funds for infrastructure development with tourism implications.

BACKGROUND

On May 17, 2017, in response to municipalities' request, the Province enacted Bill 127, *Stronger, Healthier Ontario Act, 2017*, providing single and lower-tier municipalities the authority to levy a transient accommodation tax (hotel tax). The Transient Accommodation Regulation 435/17 came into force on December 1, 2017, and provides the necessary provisions for municipalities across Ontario to implement a Municipal Accommodation Tax (MAT).

The Regulation applies if a municipality imposes a tax in respect of the purchase of transient accommodation in the municipality under section 400.1 of the Act.

On June 4, 2018, Thunder Bay City Council approved the implementation of the Municipal Accommodation Tax, effective September 1, 2018, at a rate of 4%.

CONCLUSION

It is concluded that the Thunder Bay Community Economic Development Commission should be designated as the entity to receive 50% of net revenues from the Municipal Accommodation Tax collected by the City.

It is further concluded that the City Manager or designate should develop all agreements and necessary documents with the CEO of the CEDC which will ensure financial accountability for funds collected and their use for the exclusive purpose of promoting tourism. All agreements and documentation will be created and approved in a form and content satisfactory to the City Solicitor.

REFERENCE MATERIAL ATTACHED

None

PREPARED BY: Ms. K. Lewis, Director – Corporate Strategic Services

THIS REPORT SIGNED AND VERIFIED BY: (NAME OF GENERAL MANAGER) Norm Gale, City Manager	DATE: July 31, 2018
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MEETING DATE 08/13/2018 (mm/dd/yyyy)

SUBJECT Suspension of broadcast of weekly COW/City Council meetings

SUMMARY

Memorandum from Mr. J. Hannam, City Clerk dated August 1, 2018 relative to suspension of broadcast of weekly Committee of the Whole/City Council meetings.

ATTACHMENTS

1. J Hannam memo dated August 1 2018

Memorandum

Office of the City Clerk
Fax: 623-5468
Telephone: 625-2230

TO: Members of Council

CC: EMT, K. Power, Deputy City Clerk, P. Robinet, City Solicitor

FROM: John S. Hannam, City Clerk

DATE: August 1, 2018

SUBJECT: Suspension of broadcast of weekly COW/City Council meetings

In keeping with our past practice during an election year the broadcast of weekly COW/City Council meetings on Shaw TV, TBaytel TV and website streaming will be suspended shortly until the new Council is inaugurated.

In consultation with our TV broadcast providers it has been agreed that meetings up to and including that on September 17th will be broadcast, and end there after until we resume broadcasts with the Inaugural Meeting on December 3rd.

The concern, shared by the broadcasters and your Election Administration has been, and remains, there being the perception that broadcasts of the meeting provide an unfair advantage to incumbent candidates in the last few weeks before the October 22nd Election.

Staff will continue to attend at the meetings throughout to operate the camera system, so that the meetings are recorded for our records.

As a matter of interest some municipal councils in Ontario do not schedule City Council meetings (which would normally be broadcast) in the fall of an election year.

A notice to the public, along with a Media Release, will be issued to advise the community of the change in programming.