

**Minutes of the Operational Review Committee  
Meeting Held  
Tuesday, June 19, 2018**

**Present:**

Councillor Maroosis, Committee Chair  
Mayor McDonald, Committee Member  
Councillor King, Committee Member (5:30 – 6:22 p.m.)  
Councillor Bain, Committee Member  
Councillor Anthony, Committee Member (5:25 – 6:15 p.m.)  
Councillor Serran, Committee Member  
Councillor Mayne  
Councillor Forgette  
Keith Robicheau, Chief Administrative Officer  
Lea Janisse, Managing Director, Corporate Services  
Margaret Karpenko, Chief Financial Officer  
John Severino, Managing Director Community Services

**Regrets:**

David Euler, Managing Director Engineering, Environmental and Works  
Jason Whitely, Fire Chief  
Gord Mulcahey, Executive Member North Bay Professional Firefighters'  
Association  
Marti Gerbasi, President CUPE Local 122

Special Review Committee Chair, George Maroosis, called the meeting to order at 5:25 p.m.

1. Adoption of Minutes:  
The Minutes of June 5, 2018 were approved and will be presented to Council on July 3, 2018.
2. Business Arising from Minutes:  
Review of Operational Review Initiatives and Outcomes will be deferred to the next meeting of the Operational Review Committee.
3. Status Report of Action Items:  
Keith Robicheau, Chief Administrative Officer, provided a presentation regarding the Status of the Transit Accommodation Tax. Copies of the presentation will be provided to all Council members electronically.

The power to impose the Municipal Accommodation Tax is provided for in the Municipal Act s. 400.1 – s. 400.6 for the exclusive purpose of promoting tourism in Ontario or the municipality.

- Some small hotels in the area rent by day or month. How would the Transient Accommodation Tax affect these businesses?
  - Renting by month may be exempt under this tax. This seems to be the purpose behind the use of the wording "may", in the Municipal Act. There needs to be some thought given to that.
- Do we know how this tax would impact Canadore College or Nipissing University?
  - The Municipality is not authorized to impose the tax on any Colleges or University.
- Canadore College and Nipissing University are doing rentals beyond the typical school year and are competing as Corporations. Can we impose this tax in this respect?
  - This is an area where we may need to get legal advice. The Act states that all Colleges and Universities are exempt at all times.
- Does it apply to Recreational Vehicle Rentals?
  - As far as is known this tax applies to fixed roof accommodations. It is unknown if Recreational Vehicles would qualify as fixed roof, however we may need a legal opinion. Campgrounds and RV parks are off limits.
- Are we obliged to follow the Act?

- The Act sets out the regulations regarding this tax. The Act specifies that every College and Post-Secondary institution are exempt.
- This was passed by the previous Provincial Government?
  - Yes. This could be overturned by any new government. Exemptions may be possible.
- Does the Municipality retain 50% of any revenue?
  - Yes. The remaining 50% will go to the eligible Tourism entity.
- Will it be necessary to increase the amount to the Tourism entity to get buy in?
  - This would be something that would be brought to Council for decision. The pace of implementation across the Province is increasing.
  - The amount paid to the eligible entity must include marketing and product development. Tourism North Bay and the Chamber of Commerce are working on the proposal.
- If Council supports the tax and we provide 50% of the revenue to an eligible tourism entity do we have the opportunity to see the entity's financial statements?
  - Yes. This would be a part of the legal agreement with the eligible tourism entity.
- Would this be audited financial statements?
  - The agreement would set forth what will be appropriate.
- What happens if ABC Hotel collects the tax money but does not remit the money to the City?
  - Enforcement and provision penalties are available if we do this in house.
- Do we outsource this to an external agency to collect?
  - The Frequently Asked Questions document answers questions like this and addresses the authority of the Municipality. We are outreaching to other municipalities for best practices.
- If ABC Hotel sells mid-year how do we ensure that we collect the Municipal Accommodation Tax?
  - This has not been determined yet.
- Would an audited tax statement be appropriate?
  - There is an obligation to ensure that the annual reporting satisfies the needs of reporting requirements. Audited financial statements or an accounting compliance audit are some of the tools we could obtain.
- What does the Municipal Accommodation Tax apply to in the overall fee of the stay at the hotel?
  - The tax is applied on the room rental only.
- Is the purpose of the tax tourism product development?
  - It could be a partnership program.
- Would a Beer Festival or Comedy Festival be a type of product?
  - This is unknown. The research we obtain from other municipalities may be helpful here.
- Will the amount through the Municipal Accommodation Tax reduce the overall amount to Invest North Bay?
  - Possibly. You could give it to another entity but the Municipal Act is clear that it has to be a tourism entity.
- Are there cities that are sticking with a direct marketing fee over this tax?
  - Yes.
- Is it not legislated that an audit is completed of the financial records of the tourism entity receiving these funds?
  - The regulation states that it is an agreement respecting reasonable accountability measures. The By-Law and Agreement should reflect the requirements. There will have to be something to ensure that the funds are used for their intended purpose.
- Will you bring this to Committee?
  - Yes. This will come to the General Government Committee.
- Do you see this as something passed before the Election?
  - I don't think this is something we want to rush. There is an opportunity for us to respond but there are many things to review.
- I recommend that the City oversee and control everything from the beginning. Any costs related to collecting, enforcing and managing this tax come off the top before disbursing the portion to the entity.

4. Action Items:  
No Action Items.

Next Meeting: Tuesday, July 3, 2018 at 5:15 p.m.

Agenda Item: Review of Operational Review Initiatives and Outcomes

Meeting adjourned at 6:22 p.m.

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Councillor George Maroosis  
Chair Operational Review Committee

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Judy Bechard  
Deputy City Clerk