

## TOWN OF FORT FRANCES

### MINUTES

September 10, 2018

The meeting of Economic Development Advisory Committee of the Town of Fort Frances was held in the Council Chambers, Civic Centre on September 10, 2018 11:34 a.m to 1:03 p.m.

PRESENT: G. Rogozinski, Chair, R. Avis, J. Gillon, K. McTaggart, D. Fortes, M. Caron, G. McBride, K. Perry, J. Cumming, C. Mallory

ALSO PRESENT: D. Brown, CAO, D. Galusha, Deputy Treasurer, L. Mose, MNDM, G. Gillon, T. Drysdale, Consultant (RRFDC) and K. Lawson, Secretary

REGRETS: J. McTaggart

**1. Call to Order 11:34 a.m.**

**2. Non-agenda Committee items which because of urgency cannot be deferred to a subsequent meeting, identified to be considered later in the meeting.**

2.1 Councillor K. Perry re: Aggregate Resource Tax.

**3. Disclosure of pecuniary interest and the general nature thereof - none identified**

**4. Approval of Previous Advisory Committee Minutes**

4.1 June 4, 2018 Meeting Minutes.

Caron-Fortes: THAT the minutes from the June 4, 2018 regular meeting be approved as distributed.

CARRIED

**5. In-Camera - none identified**

**6. New Business**

6.1 Market Square Summer Review.

- Tannis provided the committee with an overview of events which have taken place at the Market Square throughout the summer and into fall. In addition to various weekly vendor activities, the Square hosted a sponsored Rainy Lake Series of Thursday evening concerts. Included were the brother, sister duo called Entyrelly Mac, children's entertainer Fred Penner, rock group Kings of None and pop/electric singer IsKwe. Many sponsors came on board who offered a variety of refreshments during the events. The final concert will take place September 17th, featuring a Scottish act - The Cutting Edge Band. In addition to these acts, the square was also provided entertainment by other smaller concert individuals/groups including and not limited to the Mine Centre Church Choir, Rough Cut Pine, Bob Wepruk and the Northern Jammers and Doug Judson. Other evening activities included a "sip and paint" night with Cher Pruys, a Fort Frances High School photo shoot and four movie nights. She advised that square activities have been made possible through a series of grants from the provincial and federal governments, the Ontario Arts Council, as well as local businesses.

6.2 Municipal Accommodation Tax Levy Discussion.

- a discussion was held about implementation of Municipal Accommodation Tax Levy. Tannis provided a power point presentation which included a Background and Legislative Authority to Impose a Municipal Accommodation Tax. The Economic Development Advisory Committee recommended the following:

- That Council adopt a Municipal Accommodation Tax (MAT) on January 1, 2019 which implements a four percent (4%) tax on all accommodation that is less than 30 days in the Town of Fort Frances.

- That the bylaw reflect that Bed and Breakfasts and American Plan Lodges may charge the Municipal Accommodation Tax on only seventy five percent (75%) of the room rate, understanding that the other twenty five percent (25%) of the rate is considered a meal cost.
  - That Council name an internal auditor who will regularly inspect and verify remittances.
  - That Council set out an interest charge, remittance schedule and fine schedule.
  - That Council direct staff to request a verifiable list of current reservations made on or before September 24, 2018 for the period of January 1, 2019 to August 31, 2019 and these reservations be deemed grandfathered out of the MAT Tax. This list is to be provided no later than October 24, 2018.
  - That Council allow for a compensation (one time) fund of up to \$10,000 to be used as a grant to any hospitality establishment who must upgrade or purchase new software to charge or remit taxes. (Tannis will make a site visit to anyone requesting such funding to determine their specific needs).
  - That Council designate the Rainy River Future Development Corporation as the Town's partner as the Designated Marketing Organization.
  - That Council target the 50% municipal portion to generalized economic development activities and tourism infrastructure programming and partnerships.
  - Tannis advised that she will prepare a report with the recommendations from EDAC and present to Council for their support/passage.
- the power point presentation is appended for your reference.

#### 6.3 Wood lot and Nurses Station Purchase.

Mayor Avis and D. Brown gave an update on the recent purchase from Resolute Forest Products of the properties known as Shevlin Wood Yard and former Nurses Station (420 Mowat Avenue). Mayor Avis indicated that the CAO and Manager of Operations and Facilities have reviewed the environmental assessment reports provided by Resolute and a record of condition was placed on the sale. Committee held a discussion on proposed uses for the property. Mayor and D. Brown agreed with the committee that the Town should take its time and undertake due diligence as they go forward. The first step is to make application for funding through FedNor and under the Rural Economic Development Funding Program (RED), to undertake a consultative process to determine a needs/marketing analysis and with public input provide recommendations that best meet the Town's future economic requirements. Tannis advised that the Heritage Funding application would be due on September 28th.

#### 6.4 Applications for EDAC Appointment/Re-Appointment / Member Eligibility.

K. Lawson provided a copy of By-Law 53/16, being a By-Law to establish specific Boards/Committees of Council. Members were reminded that the current committee term expires November 30th, 2018, and that the Clerk would be doing the requisite advertising for members of all committees. The application form is found at the back of the by-law and is also available on line at the Town website. Members can drop off their applications or fill them in on-line.

#### 6.5 October Meeting.

- this matter was covered under item 6.4.

### 7. Non-agenda Items

#### 7.1 K. Perry - Resource Aggregate Tax.

- Councillor Perry spoke briefly on the matter of Resource Aggregate Tax and advised that he will be bringing forward this issue among others at the next NOMA and RRDMA meetings and will provide feedback on his return.

### 8. Adjourn 1:02 p.m. / Next Meeting Date - October 1st, 2018



# MUNICIPAL ACCOMMODATION TAX



# 2017 ONTARIO BUDGET

2017 Ontario Budget  
A Stronger, Healthier Ontario

- Ontario Regulation 435/17
- Granted Municipalities the authority to impose Municipal Accommodation Tax (MAT)



# WHAT IS MUNICIPAL ACCOMMODATION TAX?

- Also known as MAT
- Is a Tax which the Municipality has the authority to impose on all accommodators with a roof renting consecutive room nights of under 30 days.

A background image of a hotel room. It features a large bed with white linens and a brown patterned throw blanket. To the left of the bed is a desk with a chair and a window with white curtains. To the right of the bed is a nightstand with a lamp. The room has a carpeted floor and a framed picture on the wall.

# WHO IS ELIGIBLE TO COLLECT MAT?

- Hotels
- Motels
- Bed & breakfasts
- Resorts
- Outposts and Floating lodges
- AirBnB or VRBO
- Tent and Trailer sites
- Outposts and Floating lodges



# REVENUE

50% goes to the municipality to support:

Possible Funding Uses: Capital Improvements

Annual Rent at Tourism Center

Services ( Marina, New Space at Woodlot, Rink)

Economic Development related to Tourism

Small Grant Program to support events

50% goes to DMO ( RRFDC)

Possible Funding Uses:

Market Square Events and Promotion

Marketing and Promotion

# TOTAL ESTIMATED REVENUES

## SIoux LOOK OUT MAT 4%

Hotels	\$411,208
Resorts	\$ 87,054
Outposts- Floating	<u>\$262,139</u>
Total Revenue	<u>\$760,402</u>

## Thunder Bay MAT 4%

Hotels \$2,000,000

## Kenora MAT 4%

Hotels and Resorts \$450,000



# TOTAL ESTIMATED REVENUES

- **Hotel Rooms    220 units @ 70% x 365 x \$120 (67+70+59+24)    \$296,800**
  - Acting as agents for the municipality to collect the tax.
- **Hotel Rooms    27 units @ 50% x 365 x \$60    \$11,800**
  - Required to show the tax as a separate item on every invoice/receipt.
  - Label it as “Municipal Accommodation Tax” or “Fort Frances Accommodation Tax”
- **Air BnB    3**  
**\$ 500**
- **Camps    1 (seasonal business)**  
**\$1,000    \$200 a night x 140 nights x 80% occupancy    TOTAL Approx. \$300,000**



# MUNICIPALITIES SUPPORTING OR ASSESSING MAT

## Passed & Supported

- Mississauga
- Sudbury
- Ottawa
- London
- Toronto
- Brockville
- Sioux Lookout
- Kenora
- Kingston
- Barrie
- Thunder Bay
- North Bay
- Niagara Region
- International Falls 3%
- Winnipeg
- Vancouver 5%
- Entire Province Quebec
- Windsor
- Sault Ste Marie
- Dryden – Report in late June (assessing)

# HOW THIS AFFECTS BUSINESSES

- **Tax Collection**

- Acting as agents for the municipality to collect the tax.

- **Invoice labelling**

- Required to show the tax as a separate item on every invoice/receipt.
- Label it as “Municipal Accommodation Tax” or “Fort Frances Accommodation Tax”

- **Remittance**

- A Municipal Accommodation Tax Return form will be made available to all providers and will be required to be remitted with payment by the end of each month for the tax collected in the previous month.
- This will align with the timing of the CRA and monthly HST remittance.



# HOW THIS AFFECTS BUSINESSES

Municipalities may:

- Charge for Late Payments
- Set Fines & Other Enforcement
- Request an Audit