



Motion Memorandum

SUBJECT: Local Board Governance – Merger of Tourism Burlington with Burlington Economic Development

TO: Committee of the Whole

FROM: Councillor Kelvin Galbraith, Ward 1

Date to Committee: March 4, 2024

Date to Council: March 19, 2024

Motion for Council to Consider:

Direct the City Manager to work closely with key representatives (board members and executive directors) of both Tourism Burlington (TB) and Burlington Economic Development (EcDev) and report back to the April 2024 Committee of the Whole Meeting – CSSRA, with a recommended governance framework and a 2024 strategic action plan to facilitate a merger of Tourism Burlington with Burlington Economic Development; and

Direct the City Manager as follows:

- To secure necessary external expertise and resources in the upset amount of \$50,000 funded from the Tax Rate Stabilization Reserve Fund to assist in the review, strategy development and legislative compliance.
- To support the established Joint Board Governance Steering Committee comprised of Mayor Meed Ward, chairs of the Burlington Economic Development and Tourism Burlington Board, Councillor Galbraith (Council board representative to TB), Councillor Sharman (Council board representative to EcDev) and additional TB and EcDev board representatives to oversee the development and implementation of the governance framework and strategic action plan.
- To proceed on the basis of achieving a target date of no later than **January 1, 2025** for the startup of the merged independent board inclusive of maintaining distinct Burlington Economic Development and Tourism Burlington brand identities (also informed by the One-Brand project) and integrated business processes.

Reason:

Over the past year, Tourism Burlington and Burlington Economic Development have worked closely to align their functions particularly in the areas of strategic planning and service delivery including marketing and communications. In September 2023, both organizations signed a Letter of Intent (LOI) which set out a framework to discuss opportunities to create shared strategy, operations and governance model for Burlington Economic Development and Tourism Burlington. ECDEV-06-23 Economic Development and Tourism Strategy Update Report was received and filed by council in November 2023 which updated council on the work being undertaken on the integrated cEconomic Development and Tourism model to evolve the delivery model to ensure that the agencies deliver the maximum impact for dollars invested by the City and stakeholders.

In December 2023, a Joint Board Governance Steering Committee was formed comprised of 3 members from each board including council representatives Councillors Sharman and Galbraith in addition to the City Manager, to help guide this work. The joint committee met in December 2023 and recently on February 9 2024, to discuss the following items:

- EcDev and Tourism Strategy Workplan Proposal
- Development of a new Burlington Destination Stewardship Plan
- Opportunities for service delivery synergies and joint governance (presented by Deloitte)

As part of the February Joint Committee meeting, a recommendation was made to both boards to create a combined marketing and communications team led by Burlington Economic Development staff.

The recommendation in this motion memorandum is not intended to displace the good work already underway. The recommendation is primarily intended to confirm Council and City support to have both organizations place immediate focus on moving towards a desired strategic governance outcome that being the merger of Tourism Burlington with Burlington Economic Development. By providing clear support from council for the merger, it will allow both organizations to review the current joint strategy workplan and accelerate opportunities to move forward on “quick wins” to grow Burlington’s tourism economy.

In so doing, the following urgent priorities are expected to be addressed:

- Development of a new Destination Stewardship Plan which will be closely aligned and integrated with Burlington’s Economic Vision, Vision 2050, One Brand and the City of Burlington Vision to Focus strategic workplan.

Timely implementation of the Municipal Accommodation Tax (MAT) program including a detailed plan for ongoing expenditure of the MAT funding collected from Burlington tourism hospitality industry. Note: the total 15-month MAT funding proceeds collected

to date as of Dec 31, 2023, amounts to **\$2,345,770**. Under the Council approved MAT program by-law, this amount will be equally distributed between Tourism Burlington and the City of Burlington in the amount of \$1,172,885 based on specific program spending criteria for each organization. With respect the City share of the MAT, the funds will be allocated to projects that meet the criteria approved through report RCC-12-22 and in accordance with By-law 058-2022 through the 2025 capital budget process and in consultation with the internal stakeholder team.

- As part of the next phase of the MAT program outlined in report ECDEV-07-23 - Municipal Accommodation Tax Update, work is also being undertaken to expand the MAT to short term rentals. Legal analysis will need to be undertaken as part of the merger workplan to determine any potential updates required to the existing MAT by-law to ensure the 50% of MAT funding directed to Tourism Burlington continues to be remitted to as part of the new merged organizational structure.
- Recruitment and retention of board and staff members particularly related to oversight and service delivery of tourism functions. The current chair of Tourism Burlington is Councilor Kelvin Galbraith who is the Council appointed representative on the board. Councilor Galbraith has assumed that role to help stabilize the board given the high turnover of board members over the past year.

Related to this motion memorandum, Council should be aware of and/or consider the following:

- As independently incorporated boards, the City does not have the legal authority to dissolve either organization through passage of a municipal resolution or by-law. Any merger of Tourism Burlington with Burlington Economic Development will therefore need support and approval of enabling resolutions by each board.
- Guiding Principles and Priorities
 - Process for the merger to be based on full participation and collaboration of the Tourism Burlington and Burlington Economic Development board members and executive staff including leveraging the substantive work of the already established joint board working committee.
 - Opportunities to be identified to accelerate the existing joint board strategy and governance workplan to deliver additional economic development support and growth services to Burlington's Tourism sector. This may include but not be limited to new short-term roles and organizational structures to support the 2024 transition period as the merger workplan progresses.
 - Tourism Burlington and Burlington Economic Development brand identities and functions are to be reviewed as part of the work ongoing through the Destination Stewardship Plan, Strategy Review and One

Brand development projects. This work includes analysis of other Economic Development and Tourism functions within other cities. In this regard, other ON municipalities have successfully moved to an integrated tourism and economic development service delivery model including Thunder Bay (independent board) and Guelph (City department).

- 2024 Council approved total city funding support to both organizations of \$1.93 Million (TB - \$0.44 M and ECDEV \$1.49 M) is to be maintained. Any opportunities for service delivery expansion and/or cost efficiencies to be brought forward in conjunction with 2025 Mayor's budget process along with a consolidated City grant funding request.
 - Immediate and urgent priority to be given to the implementation and operationalization of the Council approved Municipal Accommodation Tax (MAT) program (EICS Committee - Report RCC-12-22, July 7, 2022) working in close conjunction with Burlington tourism industry stakeholders and leveraging opportunities identified through the Destination Stewardship Plan.
 - Updated Economic Development and Tourism Strategy and 2024 Performance Management Plan to include review, alignment and enhancement of TB/ECDEV business processes and establish key goals and performance measures/KPIs for minimum 3-year period. This work will be integrated through the updated Economic Vision and Vision 2050/Vision to Focus integration projects.
 - Legislative analysis to determine the steps needed to be undertaken as part of the merger and any additional steps that need to be taken by the City of Burlington to support the merger including potential updates to the MAT bylaw.
- Deloitte has already been engaged to undertake benchmarking and best practice analysis of Tourism and Economic Development organizational structure and service delivery. A revision and scope expansion of the Deloitte analysis and recommendations will take place to incorporate directions contained within this memo on accelerating the merger of Tourism Burlington with Burlington Economic Development. This work will include but not be limited to service delivery and long-term organizational designs for the new merged Economic Development and Tourism board. In addition, a recommended skills matrix and structure for the revised governance board will be developed.

Outcome Sought:

Through a collaborative process and with the support of board and executive staff of both independent local board organizations, the City of Burlington will facilitate the merger of Tourism Burlington with Burlington Economic Development to create one (1) independent local board in keeping but not necessarily limited to the guiding principles and priorities identified above in this motion memorandum. This work will be in line with

work already being undertaken by Burlington Economic Development and Tourism Burlington to create a combined Economic Development and Tourism Strategy with an updated and optimized business model. The endorsement by Council of this direction will support Burlington Economic Development and Tourism Burlington in accelerating the work that is already being undertaken to develop a joint strategy and governance model to support the growth of Burlington's Tourism Economy.

Vision to Focus Alignment:

(check those that apply)

- Increase economic prosperity and community responsive city growth
- Improve integrated city mobility
- Support sustainable infrastructure and a resilient environment
- Building more citizen engagement, community health and culture
- Deliver customer centric services with a focus on efficiency and technology transformation

Motion Seconded by: Councillor Paul Sharman, Ward 5
Share with Senior Staff

Approved as per form by the City Clerk,

Reviewed by the City Manager - In accordance with the Code of Good Governance, Council-Staff Relations Policy and an assessment of the internal capacity within the City to complete the work based on a specific target date (quarter/year).

Comments:

City Clerk: Approved

City Manager: Approved

CC: Chair and Members of Tourism Burlington Board
 Chair and Members of Burlington Economic Development Board
 Maureen Healey – Executive Director of Tourism Burlington
 Anita Cassidy - Executive Director of Burlington Economic
 Development