

Committee of the Whole (2) Report

DATE: Wednesday, October 13, 2021

WARD(S): ALL

TITLE: TOURISM VAUGHAN GOVERNANCE REVIEW

FROM:

Nick Spensieri, City Manager

Wendy Law, Deputy City Manager, Administrative Services and City Solicitor

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

ACTION: DECISION

Purpose

This report sets out recommendations arising out of the Tourism Vaughan Corporation (TVC) governance review that will improve both direction and operations of the municipal services corporation, and seeks approval from Council for these recommendations to be implemented.

Report Highlights

- On February 24, 2020, Tourism Vaughan Corporation Board of Directors (the Board) passed a motion directing TVC and City staff to initiate a governance review and report recommendations back to the Voting Member (City Council).
- On September 10, 2021, the Board passed a resolution which will, if accepted by Council, result in: the establishment of an industry advisory board to the TVC's Board; the expansion of the Board to four Council members; and that the Director, Economic and Cultural Development, adopt the role of President of the TVC.
- These changes will increase industry involvement in the development of the local tourism industry, allow staff to better implement Board direction, and increase Board effectiveness.

Recommendations

1. That the role of Chair for the Tourism Vaughan Corporation be separated from the role of President of the Corporation and be elected by the Board of Directors, and that Section 33 of TVC By-law 1 be amended, as required to implement this change.
2. That the Director, Economic and Cultural Development adopt the role of President, TVC and act as lead staff advisor to the Board of Directors of the Tourism Vaughan Corporation, and that the Manager, Tourism, Arts, and Culture continue to perform the duties of the Executive Director, TVC, and that TVC By-law 1 be amended, as required to implement this change.
3. That Council approve a change to the Board of Directors of the Tourism Vaughan Corporation, composing of four (4) Directors, to be comprised of four (4) members of Council.
4. That Council appoints four (4) members of Council to be members of the Board of Directors of the Tourism Vaughan Corporation, the term of which shall be effective as of December 2021 until a new Council is elected in 2022.
5. That the City Manager be authorized to execute the appropriate Tourism Vaughan Corporation-related corporate documentation on behalf of the City, in a form satisfactory to Legal Services, necessary to implement the recommendations in this report.
6. That the Memorandum of Agreement between Tourism Vaughan Corporation and The Corporation of the City of Vaughan ("MOA") be amended to implement the recommendations in this report and that the City Manager be authorized to execute the appropriate amending MOA on behalf of the City, in a form satisfactory to Legal Services.
7. That staff be authorized to establish and support operations of a Tourism Vaughan Advisory Committee (TVAC); and that the TVAC will have a primary role of providing recommendations to the Board; and that a call for members be conducted as soon as possible in accordance with the attached Terms of Reference.

Background

On February 24, 2020, Tourism Vaughan Corporation (TVC) Board of Directors (the Board) passed a motion directing staff to initiate a governance review and report recommendations back to City Council. The purpose of the review was to fill the vacancy of TVC Chair and President, and review board composition, governance approach, and organizational policies to ensure that goals of good governance and accountability to stakeholders are met.

On September 10, 2021, the Board passed the following resolution:

RESOLVED that the governance review be approved and a report be forwarded to the Voting Member with the presented recommendations for approval; and,
THAT a recommendation be made to the Voting Member to establish the Tourism Vaughan Advisory Committee (TVAC) as soon as possible with the goal of providing recommendations to the Board; and
THAT correspondence received from Chuck Thibeault, Central Counties Tourism on September 10, 2021 be provided to the Voting Member for consideration.

The goal of the Governance Review is to improve the effectiveness of operations, transparency of governance, and to transition the Board from its startup structure to a longer-lasting structure that includes representation from the local tourism sector.

Since the TVC began operations, the Board structure presented some operational challenges. These included reporting structure, signing authority, and delegation of operational decision-making. The Manager of Tourism, Arts and Culture performs the duties of the Executive Director for the TVC. In this role, the Executive Director reports to the Director, Economic and Cultural Development, and the President of the TVC – formerly the City Manager. To better align with the City's policies and reporting structure, appointing the Director, Economic and Cultural Development as the President of the TVC would mitigate these conflicts.

The seat of Chair and President of the TVC has become vacant because of the resignation of the former City of Vaughan interim City Manager, Tim Simmonds, who was appointed as Chair and President of the Board through Council approval of Committee of the Whole Report (2) September 24, 2019 on October 2, 2019.

With the departure of the former interim City Manager, the TVC has been functioning without a permanent Chair and President. The Director, Economic and Cultural Development, as the direct report for the Manager, Tourism, Arts, and Culture has been filling the role of President.

Finally, although the local tourism industry is consulted regularly by staff, they currently lack a formal means to provide advice and recommendations on direction of the TVC. Although the establishment of Municipal Service Corporations (MSCs) as Destination Marketing Organizations (DMOs) is still in its early days in Ontario, there are other municipalities that have successfully incorporated private sector input within their organizational decision-making structure:

1. Tourism Mississauga's Board of Directors has fourteen (14) Directors comprised of two (2) members of council, and twelve (12) external stakeholders; and
2. Destination Markham's Board of Directors consists of Twelve (12) Directors, comprised of eight (8) individuals to serve as independent Directors, and four (4) members of Council to serve as non-independent Directors.

In both cases, City staff serve as DMO staff.

The City of Vaughan has a strong Tourism industry with more than 700 firms directly operating in the sector and many others engaged in the supportive cluster of commercial activity.

Table 1 outlines the number of tourism businesses and amenities in select Vaughan neighbourhoods.

TABLE 1: Vaughan Tourism Asset Inventory by Community

Community	# of tourism assets
Woodbridge	283
Concord	233
Thornhill	112
Maple	56
Kleinburg	17
TOTAL	703

Previous Reports/Authority

[City of Vaughan – Finance, Administration and Audit Committee Report – Municipal Accommodation Tax – January 29, 2019](#)

[City of Vaughan - Council Minutes – October 2, 2019](#)

[City of Vaughan - Committee of the Whole \(2\) Report – Tourism Vaughan Corporation \(TVC\) – Implementation Report – September 24, 2019](#)

[TVC By-Law No.1](#)

Analysis and Options

Nearly two years into TVC operations, the governance model originally established for the Corporation, as adopted by Council, requires revisions to support the long-term sustainability and effectiveness of its mandate, funding, programs, infrastructure, and stakeholders.

Board Chair and President

The roles of the Board Chair and President should be separated, with Economic and Cultural Development continuing to lead TVC operations. As such, it is recommended that the Chair of the Board should be a board member working with the rest of the Board to set the direction of the Corporation. The President, on the other hand, should be a member of staff responsible for implementing Board direction and overseeing the operations of the TVC. This will allow for an appropriate separation of roles and responsibilities within the TVC.

It is recommended that the Director, Economic and Cultural Development be appointed as the President, TVC. Economic and Cultural Development has led the development of the TVC since Council directed staff to implement a Municipal Accommodation Tax. Given that destination development and tourism are key priorities for the local economy, Economic and Cultural Development should continue to play the lead role in the operations of the TVC.

In the interim, while the role of Chair is unoccupied, the Vice-Chair of the Board, Regional Councillor Rosati, will continue to preside as Chair in accordance with Section 36 of By-law 1.

The Board of Directors

The Board of Directors should transition from the original Board established to start the Corporation and its operations, to a Board and Committee Structure that can advance Vaughan as a premier destination.

The current TVC Board composition was established to begin TVC operations. The initial Board structure was as follows:

- Chair - vacant (formerly the interim City Manager Tim Simmonds)
- Vice-Chair - Regional Councillor Gino Rosati, City of Vaughan
- Treasurer - Michael Coroneos, Chief Financial Officer, City of Vaughan
- Secretary - Christine Vigneault, Manager, Development Services, Office of the City Clerk, City of Vaughan

To best align the Board's composition to mitigate risk and provide for optimal governance of the Board, staff recommend that the Board composition be revised to assign voting authority only to non-staff members of the Board. The recommended Board structure is as follows:

- Chair - Council Member
- Vice-Chair - Council Member
- Board Member - Council Member
- Board Member - Council Member

The roles of Treasurer and Secretary will remain with City staff and will be transitioned to a non-voting support role for the Board.

A final note on this recommendation is that the MOA states that the term of Board Directors aligns with the term of Council and specifically that City Council shall appoint Directors to the TVC Board within sixty (60) days after a municipal election for the full term of Council. Given the upcoming election, the members of Council newly appointed to the TVC Board of Directors will potentially sit on the Board for a limited time.

Tourism Vaughan Advisory Committee

The new Board will be supported by a newly formed TVAC, recruited from the local tourism industry. Staff are recommending that the TVAC consist of industry stakeholders with the mandate to provide the TVC Board of Directors with expertise and recommendations. The TVAC will report to the TVC Board of Directors.

The TVC Board may appoint a maximum of twelve (12) TVAC Members through the City appointment process, who represent tourism stakeholders from a range of sectors, including, but not limited to:

- Hotel/Motel Accommodations
- Meetings & Conferences
- Attractions & Retail
- Festivals & Events
- Food & Beverage
- Short Term Rental Providers
- Non-Governmental Industry Support Organizations

Staff will commence recruitment of TVAC members through the City Clerks' Office once this report's recommendations are accepted.

Staff are developing the plan for the advertisement and recruitment process to source potential candidates for the TVAC. The goal of the recruitment process is to attract candidates from tourism related industries (hotels, sports, food/beverage etc.) who have a broad range of skill sets (including business, financial, legal, and marketing), which will ensure an effective and diverse committee with the necessary skill and experience to advise on the objects of the Corporation.

A short list of suitable candidates will be presented to the Board for consideration and approval.

Memorandum of Agreement

The Memorandum of Agreement (MOA) between the Corporation of the City of Vaughan and the TVC was executed on September 24, 2019. The MOA outlines a formal understanding of the agreement between both the City and TVC detailing the obligations and commitments of the parties, including City assistance to the Corporation.

Nearly two years into the operation of the TVC, revisions to the MOA are recommended to support the TVC in delivery of its mandate.

The revised MOA reflects the following changes:

- Authority for the TVC to develop corporate policies for approval by the TVC Board and sole shareholder and voting member, City Council, and follow City policy where a TVC policy is not in place;
- Delegate authority to the Board to select the TVC spokesperson;
- Clarify the applicability of City policies as they relate to alternative revenue sources such as obtaining funding from other levels of government;
- That the Board, in form satisfactory to City's Legal Counsel, establish a policy or pass a resolution regarding persons authorized to sign in the name and on behalf of the TVC.
- Require the TVC Board to provide Council as sole voting member with a multi-year business plan in the final year of the plan and provide annual updates to Council on the progress via an Annual Report. The TVC budget will be presented annually to Council.
- Support may be provided to the TVC (and the TVAC if Council approved its formation) by staff from City departments including, but not limited to, Economic and Cultural Development, Finance, Legal, Corporate and Strategic Communications, and Clerks departments.

Financial Impact

None.

Broader Regional Impacts/Considerations

Vaughan is home to a key regional tourism and visitor assets, including Canada's Wonderland, the McMichael Canadian Art Gallery, and Vaughan Mills. The City also hosts a dense cluster of the Region's accommodations.

Adoption of the recommendations of this report will bring the City's support in line with best practices in governance in the emerging Municipal Services Corporation model of DMO management, and allow the City's stakeholders to play a key advisory role in developing the local and regional economy.

Through the establishment of the TVAC, local and regional stakeholders will have a formal method to provide recommendations on the local industry's development.

Conclusion

In order to conclude the governance review for Tourism Vaughan Corporation, staff recommend that Council adopt the recommendations of this report.

The recommendations of this governance review provide a balance between autonomy of problem-solving and expeditious decision-making. They are also grounded in succession planning purposes to ensure consistency in governance, leadership, management, and operations of the TVC as adopted by Council.

For more information, please contact: Ashley Travassos, Manager, Tourism, Arts & Cultural Development / Executive Director, Tourism Vaughan Corporation
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Prepared by

Ashley Travassos, Manager, Tourism, Arts & Cultural Development / Executive Director,
Tourism Vaughan Corporation
Raphael Costa, Director, Economic and Cultural Development

Attachment(s):

1. DRAFT TVC Board Meeting Minutes, September 10, 2021.
2. TVAC Terms of Reference

Approved by

A handwritten signature in black ink, appearing to read "Wendy Law".

Wendy Law
Deputy City Manager
Administrative Services & City Solicitor

Reviewed by

A handwritten signature in black ink, appearing to read "Nick Spensieri".

Nick Spensieri, City Manager